

# Hudson Valley Region Comprehensive Economic Development Strategy

2019-2023



November, 2019

Hudson Valley Regional Council  
Comprehensive Economic Development Strategy, 2019-2023

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## Executive Summary

The 21<sup>st</sup> Century has seen the divergence of New York State into two distinct economies: the dynamic downstate region driven by New York City's global prominence and a rural upstate economy often lagging behind in the growth in jobs, income and population. Over the last generation, the Hudson Valley has become a nexus where the economic, social, and cultural forces of a major global capital, New York City, meet and intermingle with the dynamics associated with the Valley's small cities, towns and rural areas—vibrant legacies in agriculture and food, industrial innovation (stretching back to the D&H Canal and the invention of the steamboat), the arts and outdoor recreation.

***The Hudson Valley Comprehensive Economic Development Strategy is Driven by several key findings.***

*The Hudson Valley's proximity to New York City is both an opportunity and a threat:* The Hudson Valley is adjacent to a metropolis with over 8 million people, and many of its workers are drawn from that area. Similarly, as pointed out in the detailed data in the Summary Background in the Appendices to this report, many Hudson Valley residents commute to New York City for employment, earning higher wages than available in the Region itself and ensuring that the Region retains a cadre of skilled, experienced workers in a variety of fields. On the other hand, for employers in the Hudson Valley, that proximity to New York can drive up the costs for labor, real estate, insurance and other factors important to economic success. In addition, much of the Region serves as a source of water supply for the City, leaving those areas with an additional layer of development regulations to protect the quality of the City's water, that can add costs and delays to development in those areas.

*Limited infrastructure:* Virtually every type of infrastructure has the potential to constrain growth in the Region. As described in detail in the Summary Background in the Appendices' Data Compendium, broadband, transportation and utility infrastructure all have limitations in the Valley at present. The most serious infrastructure issues may relate to sewer and water. The lack of adequate municipal sewer and water at industrial sites can render those sites unable to support any development of a scale capable of generating a meaningful number of new jobs. At the same, time, limited and failing sewer and water infrastructure severely hampers a community's economic and environmental resiliency.

*Limited capacity to plan for infrastructure:* Meetings with planning and development officials held during this process highlighted constraints on the Region to plan for the infrastructure improvements needed to bolster economic and environmental resilience. Particularly in the case of sewer and water infrastructure, there are significant gaps in available information about the location and capacity of sewer and water lines. This must be addressed if the Region seeks to improve its economic and environmental resilience.

*Key threats require resiliency to be fully integrated throughout the CEDS:* The threats associated with climate change and those accompanying global and technological challenges have the potential to dramatically undermine economic and environmental progress in the Region and beyond. Consequently, considerations for resiliency are integrated into this CEDS, rather than treated in a separate section.

***The Vision:*** *The Hudson Valley will maximize the advantages of its location at the nexus between the Upstate and Downstate economies.*

***The Strategy:*** *Building connections for regional competitiveness, resiliency and prosperity.*

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This strategy for the Hudson Valley Region’s economic development has been created after careful consideration of the Mid-Hudson Regional Economic Development Council’s economic development strategy (e.g., “Live, Work & Play”), the Hudson Valley Economic Development Corporation and its focus on 3-D printing, Eds & Meds, Food & Beverage, Biotech, Talent and Play (i.e., tourism, recreation & the arts).

Each aspect of the strategy, competitiveness, resiliency and prosperity, has its own needs for connectivity.

*Economic competitiveness depends upon the physical connections provided by infrastructure and the virtual and institutional connections needed to create an effective capacity to plan for future infrastructure needs*

*Resiliency requires its own set of connections, particularly well-functioning sewer and water infrastructure along with providing local decisionmakers with the information and technical assistance they need to make decisions that foster economic and environmental resiliency in their communities.*

*Prosperity is made more possible by tighter connections with the New York City area. This enables commuters to the City to bring additional income and wealth into the Hudson Valley. It makes the Valley a logical destination for entrepreneurs and creatives from places like the East Village and Williamsburg seeking lower cost locations to grow their start-up businesses. Stronger connections also support the Region’s tourism economy and its growing agriculture and food sectors.*

The CEDS outlines the goals and objectives for the Hudson Valley Region, along with providing an evaluation framework for assessing the effectiveness in implementing this strategy. The goals and objectives are direct outgrowths of the regional strategy of “building connections for regional competitiveness, resiliency and prosperity.” They are listed below.

*Goal 1. Improve Economic Competitiveness through Physical Infrastructure Connections*

*Goal 2. Improve Resiliency and Economic Competitiveness through connections to support the capacity for regional planning for municipal sewer and water infrastructure as a template for other types of regional infrastructure planning.*

*Goal 3. Improve Economic Competitiveness through connections to Strengthen the Availability of a Skilled Workforce.*

*Goal 4. Support Connectivity for Regional Prosperity*

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## About the Hudson Valley Regional Council

The Hudson Valley Regional Council (HVRC) was established in 1977 as an organization of county governments comprising Dutchess, Orange, Putnam, Rockland, Sullivan, Ulster and Westchester counties. It's one of 650 such Regional Planning and Development Boards in the United States that in addition to providing a regional perspective, offer education & outreach, technical assistance and advocacy for the communities they serve. The organization is funded by several Federal and State grant programs as well as an annual contribution from the member counties.

HVRC receives grant funding from the US Department of Commerce Economic Development Administration through their Partnership Planning Program (2019-2022). This funding requires the development of a Comprehensive Economic Development Strategy (CEDS) for the region every five years...with annual updates in between. The report allows the EDA to assess the needs of the country and prioritize areas where Federal dollars should be invested to create or retain jobs, address disaster needs, and develop specific initiatives directed at regional and national needs. A new 5-year CEDS will be completed and available for the Hudson Valley by September 2019. The seven county Hudson Valley region is also designated as an Economic Development District (EDD) and as such is eligible for additional consideration for funding opportunities. The staff at HVRC assist municipalities and eligible entities throughout the region with the application process for EDA's various grant offerings.

HVRC is also the recipient of grant funding to assist with Water Quality Planning in the region through the NYS Department of Environmental Conservation and the Federal Clean Water Act program. Through this funding, HVRC provides education and outreach to local municipalities with respect to water quality planning and storm water management. Recent initiatives have included extensive work on Green Infrastructure projects throughout the Hudson River region. Examples of these projects are available on our web site. The current focus of the grant (2019-2023) is to assist municipalities with Source Water Protection Plans, 9 Element Watershed Management Plans and education and outreach for MS4 communities.

The Council is also the recipient of a Clean Energy Community Grant through the NYS Energy, Research and Development Agency (NYSERDA) which allows our staff to provide on-the-ground technical assistance to municipalities throughout the region who adopt Clean Energy protocols, including the option of participating in the Climate Smart Community Program, conversion of street lights to LED lights, benchmarking electric usage, utilization of electric vehicles with incentives for charging stations and many other initiatives all designed to reduce energy usage on the municipal level, reduce the cost of energy thereby potentially reducing taxes for the residents and reducing Greenhouse Gas emissions throughout the region and state to address the negative impacts of Climate Change.

We also provide regional platforms for our counties to address issues that impact the entire region. We host a very active Material Management Working group that has participants from all seven counties. They study issues involving solid waste, including recycling, recycling education, hazardous waste, composting and diversion of food and organic waste. They share resources, issues and opportunities. Representatives of the NYS DEC Division of Solid Waste for Region 3 often attend and participate in these sessions. This group is unique in the State of NY and we are proud to host and facilitate their work.

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In 2014, Governor Cuomo initiated the development of state-wide sustainability plans under the guidance of NYSERDA. The Mid-Hudson Regional Sustainability Plan was developed with hundreds of volunteers from our seven counties using their areas of expertise to develop goals and objectives to meet New York States goals of reducing greenhouse gas emissions. One of the outgrowths of that report has been the Mid-Hudson Regional Sustainability Coalition which has been meeting for the past 5 years to discuss, study and advocate for the goals of the original plan. This group is unique in the State of New York and we are proud to support and facilitate this work into the future.

The Regional Council has partnered with the Hudson River Estuary program to develop legal opinions and papers on issues related to watersheds, stormwater, water quality and wastewater. These documents as well as videos of the seminars are available on our website.

HVRC is also contracted by the City of Kingston to assist with a feasibility study on municipal organics recycling. We will also be participating in a program for Clean heating and cooling outreach in Putnam County.

We partner with many organizations in order to provide a high level of service to our communities...including but not limited to Pace Land Use Law Center, Cornell Cooperative Extension, The Hudson River Watershed Alliance, the New York State Floodplain and Stormwater Management Association, and the Lower Hudson Coalition of Conservation Districts.

The Board of Directors of the Regional Council includes elected officials and/or their representatives from the seven-county region. Individual counties can have three to five members depending on their population. In larger counties, the mayor of the largest city is appointed a member. The council meets three or four times a year. Copies of our agendas, meeting minutes and schedule of meetings are on our web site – [www.hudsonvalleyregionalcouncil.org](http://www.hudsonvalleyregionalcouncil.org).

### Our approach in developing the CEDS

The Hudson Valley has a population of 2.5 million people. The seven counties that the Hudson Valley Regional Council serves have fully staffed Planning and Economic Development Divisions. The region also has a number of region-wide economic development entities.

NY Governor, Andrew Cuomo created Regional Economic Development Councils throughout the state and appointed business leaders to serve on the councils. They developed plans and strategies...all applicants for State funding are asked to meet the goals and objectives of the Regional Economic Development Councils.

This region, due to it's proximity to New York Metro area, has a large economic base. We also have a large number of ED organizations: The Hudson Valley Economic Development Corporation, the Hudson Valley Agri-business Development Corp, The Rockland Business Association, Westchester County Business Association, The Orange County Partnership for Economic Development, the Sullivan County Partnership for Economic Development, Think Dutchess Business and seven individual Chambers of Commerce serving the region. Because of our proximity to NYC and their metro area we were also included in the recent 10-year plan of the Regional Plan Association.

Hudson Valley Regional Council uses the professional services of Fairweather Consulting in developing the CEDS. Our Board of Directors, which consists of small business owners, educators, Attorneys, law enforcement personnel and not-for-profit community organization professionals form the core of our

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strategy committee. The balance of our committee are the planning and economic development professionals from our seven counties.

HVRC Board of Directors – Core Strategy group

Eoin Wrafter – Dutchess Co. Planning Commissioner  
A. Gregg Pulver – Chair Dutchess Co. Legislature  
Rob Rolison – Mayor City of Poughkeepsie, retired Law Enforcement  
James Constantino, Private Sector Representative, attorney, small business owner  
Shirley Adams – Private Sector Representative,  
Harry Porr, Deputy Co. Executive, Orange Co.  
Steven Brescia, Chairman Orange Co. Legislature, Farmer  
Torrance Harvey, Mayor of Newburgh - Teacher  
Janet Sutherland, legislator Orange Co., Teacher  
Ira Steingart – Legislator, small business owner  
Luis Alvarez – Chairman SC Legislature, law enforcement professional  
Josh Potsek – County Manager  
Mark McCarthy – legislator – small business owner  
Patrick Ryan – County Exec., former military  
Tracey Bartels – Chairwoman Ulster Co. Legislature, small business owner  
Steven Noble – Mayor City of Kingston  
Bridget Gibbons – Director of Economic Development  
Benjamin Boykin, Westchester County Legislative Chair  
Wilson Kimball (W) – Mayor City of Yonkers

Participating Regional Professionals

Dutchess County

Eoin Wrafter, Commissioner of Planning  
Ron Hicks, Exec. Assistant to County Exec., Director of Think Dutchess – Coalition of Economic Development and Work Force Development programs

Orange County

David Church, Commissioner of Planning  
Bill Fiorvanti - new Economic Development Director Orange County, Former Deputy Director for Orange County Partnership  
Meghan Tennerman – Transportation Planner, Orange Co.

Putnam County

Sandra Fusco, Commissioner of Planning, Economic Development and transportation  
Barbara Barosa, Economic Development planner

Rockland

Jeremy Schulman – new Rockland County Director of Economic Development & Tourism, Former President & CEO Rockland Economic Development Corp

Sullivan

Freda Eisenberg – Commissioner of Planning  
Marc Baez, CEO Sullivan County Partnership for Economic Development  
Laura Quigley, Director of Work Force Development

Ulster

Dennis Doyle – Commissioner of Planning  
Suzanne Holt – Director of Economic Development

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### Westchester

Norma Drummond – Westchester Co. Commissioner of Planning  
Dennis Power – Chief of Staff, Westchester County Legislature  
Joan MC Donald, Director of Operations Westchester County  
Chris Crane – Westchester Co. Legislature Senior Legislative Counsel  
Bill Brady – Westchester Co. Dept. of Planning  
Hugh Greechan – Commissioner, Westchester Co. Dept of Public Works & Transportation  
Bridgett Gibbons – Westchester Co. Director of Economic Development  
Susan Spear – Assistant to County Exec. George Latimer  
Peter McCartt – Westchester Co. Director of Energy Conservation and Sustainability  
Anthony Zaino - Director of Community Development

Peter Fairweather, Fairweather Consulting

Patricia S Pomeroy, Exec. Director HVRC

### A Regional Overview

The Hudson Valley Region is a study in contrasts. We are a region of densely populated urban areas with business and commercial centers, Fortune 100 companies, Fortune 500 companies, and world-class medical and educational centers contrasted with sparsely populated rural communities with one-block long charming downtown business districts and centralized school districts that house kindergarten through 12th grade in one building. We are a region with pockets of great wealth and a region with pockets of deep poverty.

We rise from just above sea level at Rye in Westchester along the shores of Long Island Sound to 4,108 feet above sea level at the top of Slide Mountain in Shandaken in Ulster County.

We are a region teeming with history – Washington’s headquarters, FDR’s home, West Point, Boscobel, Mohonk Mountain House, the D&H canal, the site of the original Woodstock Festival and 300-year-old stone houses in some of the earliest settlements in the United States.

Our most significant asset is water- the seven counties that comprise the Hudson Valley Region supply drinking water to more than 20 million people in the New York Metropolitan area, Philadelphia, and Trenton, as well as taking care of our own communities. The watersheds east and west of the Hudson River and Delaware River Watershed along our western boundary with Pennsylvania are priceless assets for our region.

In places, the land is rugged, steep, wooded and inhospitable. Several mountain systems dominate on both sides of the Hudson, The Catskills on the west side and the Hudson Highlands/Taconic Ranges on the east. The Shawangunk Ridge slices through the region with the white stone cliffs on one end and the Basherkill Wetlands at the other. Our collective ethos is to preserve – we have tens of thousands of acres of protected park lands and trails including the historic Appalachian Trail.

Tourism is one of the engines that drive our economy. Our region has always been a playground for the New York City metropolitan area population from the early days of the railroad and the birth of the “Borscht Belt” and Dry Fly-fishing in the US. Now our green mountains and fresh air provide “green” alternatives for urbanites: hiking, biking, fishing, boating, camping, and watching the stars. Restoration of



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an old railroad bridge over the Hudson River took on new significance as a major tourist draw when the “Walkway over the Hudson” opened several years ago, it has since become one of New York States top tourist attractions attracting cyclists to the miles of connecting trails. The Woodbury Commons Outlet Mall, in Lower Orange County is another top draw in the State of NY bringing busloads of tourists every day. Star watching was reinvented when the Bethel Woods Center for the Arts, a world class entertainment venue opened at the site of the original Woodstock Festival in Bethel, NY. It has since received national recognition and ranking as one of the top outdoor concert venues in the country. Now locals and visitors can enjoy entertainment such as The New York Philharmonic, Tony Bennett, and Elton John under the stars in Sullivan County...along with the celebration surrounding the 50<sup>th</sup> Anniversary of the original Woodstock Music Festival.

Agriculture is an important component in our economy. In places, the land is rich and lush with black dirt farms that grow wonderful onions and vegetables. There are new generations of farming entrepreneurs in organic and niche farming, developing value added products such as cheeses, artisan breads, wines and yogurts – all designed to take a product to the markets in NYC. The Hudson River valley is filled with apple orchards, grape arbors. Emerging micro–breweries and distilleries industry in the region have boomed in recent years. Dairy farms, beef cattle farms, poultry and eggs farms and wonderful horse farms complete the agricultural picture. Protecting the agricultural component can be challenging as a need for more housing and growth push into the Hudson Valley. With our history of preservation and the importance of water in our region, there are strong institutions and organizations working to protect and preserve this precious asset of paramount importance.

We are a major transportation corridor. On any given day in the region one can see freight trains, passenger trains, cargo ships, barges, passenger planes, military planes, fishing boats, and thousands of cars and trucks on our network of major highways, railroad networks, bridges, airports and rivers all connecting the world and the New York metro area to the Hudson Valley. The largest construction project in the region, the Mario Cuomo Bridge crossing the Hudson River was completed and opened in 2019. Air traffic increased significantly with the addition of a robust international carrier at Stewart International Airport, now under the management of the New York Port Authority. The Hudson River remains a major economic asset for all of New York State as a large number of ships, tankers and barges travel daily between the Port of New York and the Port of Albany through the Hudson Valley.

Business and Industry dominate the landscape along our border with the New York City metropolitan area. We are home to international corporations – IBM, Pepsico, ITT and Kawasaki. Our region’s economy is closely linked to the NYC economy, we share the highs but sometimes shares the pain of that economy. Large percentages of our population commute to work in the Metro-New York area every day.

The Hudson Valley has strong regional economic and employment clusters in the areas of Education & Knowledge creation as well as Health Care. There are more than 30 post-secondary educational institutions in Westchester alone. The Center for Discovery in Sullivan County is the largest employer in the County. These clusters are significant in proving and maintaining quality employment opportunities while providing and maintaining vital services.

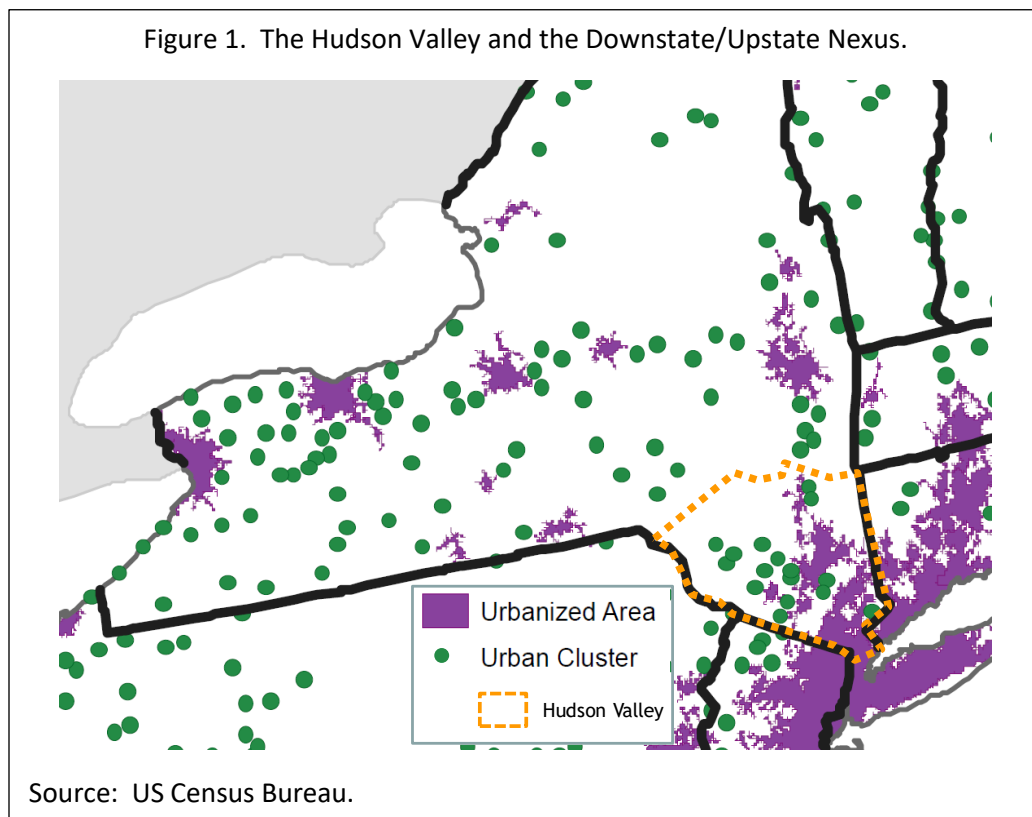
The Hudson Valley is rich in natural beauty and physical assets, yet there is need. In most areas, the region has rebounded from the economic downturn of 2008/09, job numbers are good here in most of the region with exception of some of the inner older cities. As we look to the future and inevitable growth, we now see the need to address our aging, and in some instances non-existent or inadequate, infrastructure.

## Summary Background

This section provides an overview of existing conditions in the Hudson Valley Region. The full Summary Background for this Comprehensive Economic Development Strategy is found in the Data Compendium in the Appendices to this report.

### Geography as Destiny: the Hudson Valley and the Downstate/Upstate Nexus

Since the European settlement, the character of the Hudson Valley region has been driven by geography. The port of New York and the major metropolis which grew up around it were flanked by the Hudson Valley's extensive natural resources and the Hudson's presence as a transportation route. The Valley is bordered on the south by a massive urban hub of the global economy and to the north by



forests and farms that have been sources of material goods for hunters, traders and farmers, while also providing inspiration for generations of artists and respite for generations of travelers and tourists. The Valley itself remains a patchwork of farms, forests, parks, cities and towns supporting virtually all manner of human activity and enterprise. Figure 1 shows the Valley's relationship to the urbanized Atlantic seaboard.

The 21<sup>st</sup> Century has seen the divergence of New York State into two distinct economies: the dynamic downstate region driven by New York City's global prominence and a rural upstate economy often lagging behind in the growth in jobs, income and population. The Hudson Valley's geography provides the region with a unique connection between both of these worlds, positioning it as an important laboratory to build a successful fusion between these two parts of the Empire State.



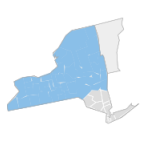

This situation may be best exemplified by a simple fact: the open spaces for which the Hudson Valley is best known by travelers are the home of New York City's water supply. The continued growth of that great metropolis is intimately linked to the ability of the Hudson Valley to build a vibrant economy that can protect and sustain the natural resources (and recreational opportunities) upon which New York City so heavily depends.

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Over the last generation, the Hudson Valley has become a nexus where the economic, social, and cultural forces of a major global capital, New York City, meet and intermingle with the dynamics associated with the Valley’s small cities, towns and rural areas—vibrant legacies in agriculture and food, industrial innovation (stretching back to the D&H Canal and the invention of the steamboat), the arts and outdoor recreation.

Tables 1, 2 and 3 show the tangible results of this nexus. Table 1 compares population and job growth between New York State as a whole, the upstate region (New York State minus the counties of the Hudson Valley, New York City and Long Island), the downstate region (New York City and Long Island) and the Hudson Valley. In terms of population growth and job growth, the Hudson Valley exceeds the upstate region, but slightly lags behind the downstate area. Note also that the Hudson Valley Region has the highest proportion of adults with at least a bachelor’s degree, the consequence of a labor market that has many high-skilled residents that can work within the region as well as within the New York City area. A detailed comparison of the employment conditions among these areas is found in the Data Compendium in the Appendices.

**Table 1.**

<b>Comparing the Hudson Valley Region to Upstate &amp; Downstate</b>	New York	Downstate	Upstate	Hudson Valley
<b>Regional Overview</b>				
Historical Population (2013)	19,712,571	11,316,463	6,076,582	2,319,527
Historical Population Change (2013 - 2018)	+1%	+2%	-1%	+1%
Population (2018)	19,901,145	11,541,972	6,012,216	2,346,957
Total Industry Jobs (2012)	9,477,182	5,524,158	2,980,303	972,720
Total Industry Jobs (2018)	10,307,062	6,212,140	3,060,689	1,034,234
Total Industry Jobs Change %	+9%	+12%	+3%	+6%
Bachelor's Degree or Higher	4,745,825	2,926,451	1,204,175	615,200
Bachelor's Degree or Higher %	34.2%	36.0%	28.8%	38.5%

Source: compiled by Fairweather Consulting using data from Economic Modeling Systems, Inc. (EMSI).

As shown in Table 2, current migration patterns indicate that the region draws upon New York City for much of its new residents. When examining the top five counties that provide migrants for the seven counties in the region, New York City’s boroughs constitute at least two of the top five counties. For Orange, Ulster and Westchester, the boroughs make up four of the top five counties for in-migrants. (Note: while the data provide an indication of the counties that are the major sources of in-migration, these data from the American Community Survey have relatively high margins of error, making it impossible to provide detailed rankings on which county sent the most migrants to Region’s counties.)

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Table 2. Top Five Counties of Origin for Domestic In-migration by County, 2012-16 (New York City Boroughs in <i>Italics</i> )						
Dutchess	Orange	Putnam	Rockland	Sullivan	Ulster	Westchester
<i>Bronx</i>	<i>Bronx</i>	Westchester	<i>Kings</i>	Orange	<i>Bronx</i>	<i>Bronx</i>
Orange	<i>Kings</i>	<i>New York</i>	Maricopa, AZ	Westchester	<i>Kings</i>	<i>New York</i>
Westchester	<i>Queens</i>	Orange	Hartford	<i>Bronx</i>	<i>New York</i>	<i>Kings</i>
<i>Kings</i>	Rockland	<i>Queens</i>	Nassau	<i>Kings</i>	<i>Queens</i>	<i>Queens</i>
Columbia	<i>New York</i>	<i>Bronx</i>	<i>Bronx</i>	Isabela Municipio, PR	Suffolk	Hudson, NJ

Source: U.S. Census Bureau, 2012-2016 American Community Survey. NOTE: Estimates for in-migrants have margins of error of 40 percent or more. For more information, see <https://census.gov/acs>.

This same pattern holds true for the daily commute for many Hudson Valley residents. As shown in Table 3, almost one-quarter of employed Hudson Valley residents worked in New York City for their primary job.

### Indicators of Distress in Hudson Valley Communities

The Stats America, a statistical database site maintained by US Economic Development Administration publishes regional data measuring economic distress in communities. The reports provide economic indicators on each local area, along with “threshold” measures that compare that local area’s performance with the same measurement for the US economy as a whole. According to the Stats America website, these distress reports include:

#### *A 24-Month Unemployment Rate*

The Bureau of Labor Statistics releases monthly preliminary and revised unemployment data as part of the Local Area Unemployment Statistics program. . . .

Source: U.S. Bureau of Labor Statistics. . . .

Thresholds: The threshold calculations are shown in the output report and reflect the difference between the unemployment rate for the geographic area or region selected and the U.S. figure. For example, if Economic Development District A has a 24-month rate of 6.9 and the U.S. rate is

Table 3. Top Ten Places Where Hudson Valley Residents are Employed by Place (Cities, CDPs, etc.) – Job Counts, Primary Jobs		
Place of Work	2015	
	Count	Share
New York City	219,028	23.9%
Yonkers City	29,161	3.2%
White Plains City	28,548	3.1%
New Rochelle City	12,007	1.3%
Poughkeepsie City	10,835	1.2%
Kingston City	10,101	1.1%
Harrison Village	9,968	1.1%
Mount Vernon City	9,445	1.0%
New City CDP	8,521	0.9%
Newburgh City	7,889	0.9%

Source: U.S. Census Bureau, On The Map Application and LEHD Origin-Destination Employment Statistics (Beginning of Quarter Employment, 2nd Quarter of 2002-2015).

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7.9, the difference shown in the threshold column is -1.0—meaning it is 1 point lower than the U.S.

*Per Capita Income*

Per Capita Money Income (PCMI) (5-Year ACS)—From the American Community Survey. . . .

Per Capita Personal Income (BEA PCPI)—From the U.S. Bureau of Economic Analysis. . . .

Thresholds: The selected area’s per capita value is divided by the U.S. per capita income and shown as a percentage share of the U.S. figure. For example, if the District of Columbia has a threshold calculation of 145.2, this means its PCPI is 45.2 percent higher than the nation at large.<sup>1</sup>

Tables 4 and 5 have the most recent economic distress criteria for the Hudson Valley Region. Table 4 provides a region-wide tabulation, indicating that the Hudson Valley as a whole shows very little economic distress. Its unemployment rate is below the US average and the measures of per capita income are above the US as a whole. But, as they say, the devil is in the details.

Table 4. Economic Distress Criteria for the Hudson Valley Region—Primary Elements			
Elements	Region	U.S.	Threshold Calculations
24-month Average Unemployment Rate (BLS) period ending June 2019	3.91	3.94	-0.03
2017 Per Capita Money Income (5-year ACS)	\$42,202	\$31,177	135.36%
2017 Per Capita Personal Income (BEA)	\$73,568	\$51,640	142.46%

Sources: U.S. Bureaus of Census, Labor Statistics, and Economic Analysis; Calculations generated by StatsAmerica.

Table 5 shows the economic distress criteria broken out by county. This makes it clear that while some counties (Dutchess, Putnam, Rockland and Westchester) are outpacing the US in virtually every measure, others (Orange, Sullivan and Ulster) lag behind the US in unemployment and/or per capita income.

Table 5. Economic Distress Criteria for the Hudson Valley Region—Geographic Components.								
County	24-Mo. Unemployment	Thresh-old Calculation	BEA PCPI	Thresh-old Calculation	Census PCMI (2000)	Thresh-old Calculation	ACS 5-Year PCMI	Thresh-old Calculation
Dutchess	3.75	-0.19	\$54,093	104.8	\$23,940	110.9	\$36,704	117.7
Orange	3.99	0.05	\$50,113	97	\$21,597	100	\$32,616	104.6
Putnam	3.76	-0.18	\$63,469	122.9	\$30,127	139.6	\$44,063	141.3
Rockland	3.80	-0.14	\$58,133	112.6	\$28,082	130.1	\$36,898	118.4
Sullivan	4.16	0.22	\$44,707	86.6	\$18,892	87.5	\$28,224	90.5
Ulster	3.94	0	\$48,811	94.5	\$20,846	96.6	\$32,453	104.1
Westchester	3.95	0.01	\$101,542	196.6	\$36,726	170.1	\$52,049	166.9

Sources: U.S. Bureaus of Census, Labor Statistics, and Economic Analysis; Calculations generated by StatsAmerica.

<sup>1</sup> <http://www.statsamerica.org/distress/help.aspx>

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Even disaggregating the data by county does not fully capture the nature of economic distress found in the region.

Every county in the Region has communities that have concentrated pockets of economic distress. This is reflected in the Federal Opportunity Zones recently designated for the Hudson Valley.

**Opportunity Zones in the Hudson Valley Region**

One tool that has been created to address areas of economic distress is the Federal Opportunity Zone program. Thirty-one Opportunity Zones have been designated in the Hudson Valley region. They are listed in Table 6.

Opportunity Zones were added to the tax code by the Tax Cuts and Jobs Act on December 22, 2017. An Opportunity Zone is an economically-distressed community where new investments, under certain conditions, may be eligible for preferential tax treatment. Localities qualify as Opportunity Zones if they have been nominated for that designation by the state and that nomination has been certified by the Secretary of the U.S. Treasury via his delegation of authority to the Internal Revenue Service.

Opportunity Zones are designed to spur economic development by providing tax benefits to investors. First, investors can defer tax on any prior gains invested in a Qualified Opportunity Fund [an investment vehicle that is set up as either a partnership or corporation for investing in eligible property that is located in a Qualified Opportunity Zone] (QOF) until the earlier of the

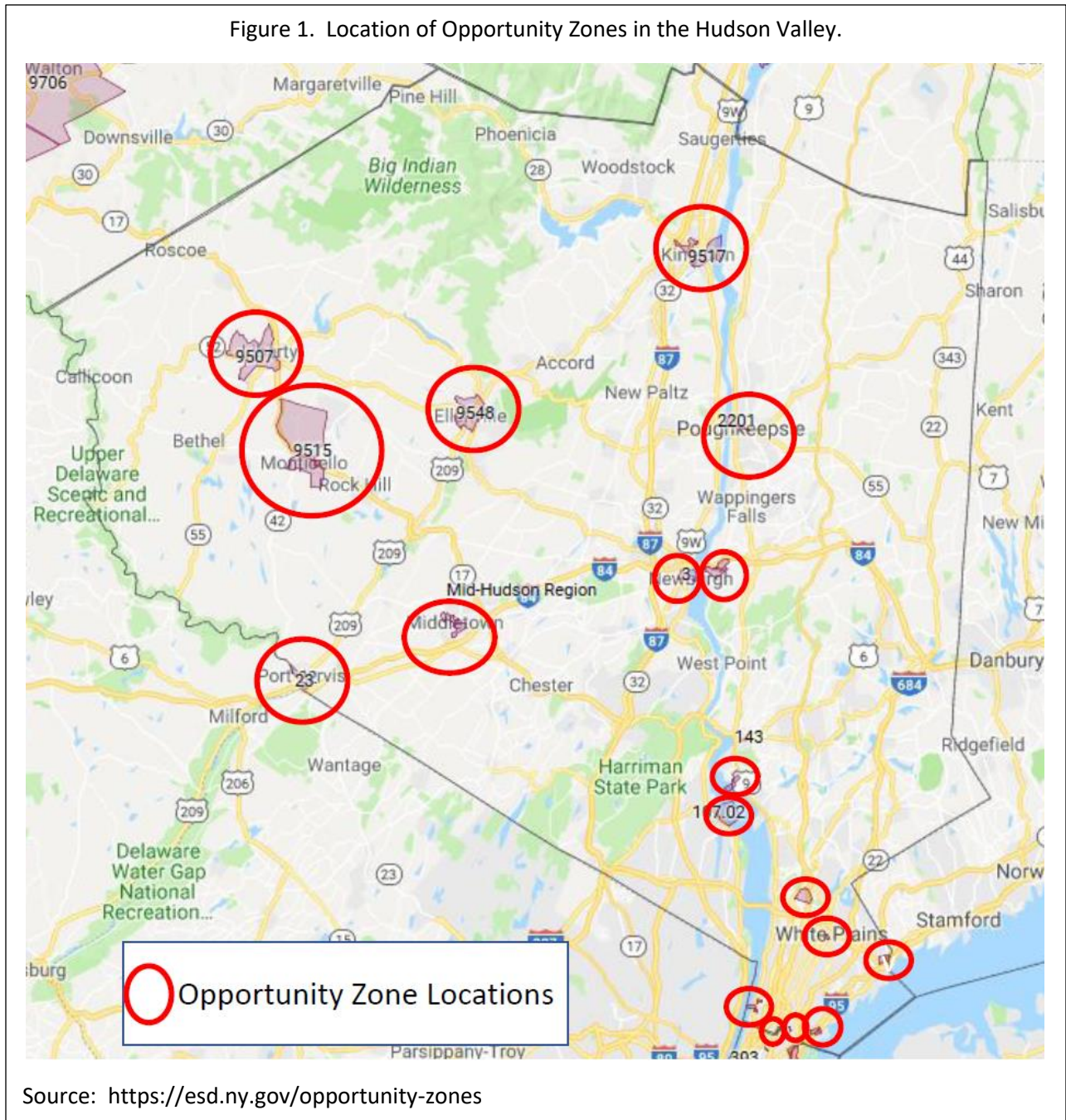
Table 6. Designated Federal Opportunity Zones in the Hudson Valley Region.			
County	City	Census Tract #	Map #
Dutchess	Beacon	36027640002	6400.02
	Beacon	36027210101	2101.01
	Poughkeepsie	36027221100	2211
	Poughkeepsie	36027220100	2201
Orange	Newburgh	36071000400	4
	Newburgh	36071000300	3
	Middletown	36071015100	151
	Middletown	36071001500	15
	Port Jervis	36071002300	23
	Port Jervis	36071002200	22
Westchester	Yonkers	36119000401	4.01
	Yonkers	36119000300	3
	Yonkers	36119000600	6
	Valhalla	36119981000	9810
	Peekskill	36119014300	143
	Cortlandt	36119984000	9840
	New Rochelle	36119005800	58
	New Rochelle	36119006100	61
	White Plains	36119009300	93
	Port Chester	36119007900	79
	Port Chester	36119008000	80
	Mount Vernon	36119003100	31
Sullivan	Monticello	36105951800	9518
	Liberty	36105950700	9507
	Monticello	36105951500	9515
Ulster	Ellenville	36111954800	9548
	Kingston	36111951700	9517
	Kingston	36111952100	9521
	Kingston	36111952400	9524
Rockland	Haverstraw	36087010703	107.03
	Haverstraw	36087010702	107.02

Source: <https://esd.ny.gov/sites/default/files/FINAL-Recommendations-OZ-42618.pdf>

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date on which the investment in a QOF is sold or exchanged, or December 31, 2026. If the QOF investment is held for longer than 5 years, there is a 10% exclusion of the deferred gain. If held for more than 7 years, the 10% becomes 15%. Second, if the investor holds the investment in the Opportunity Fund for at least ten years, the investor is eligible for an increase in basis of the QOF investment equal to its fair market value on the date that the QOF investment is sold or exchanged. In addition, gains on investments in Qualified Opportunity Zones that are held for more than ten years can be realized without any capital gains taxes.<sup>2</sup>

Figure 1 shows the geographic distribution of the Hudson Valley region's Opportunity Zones.

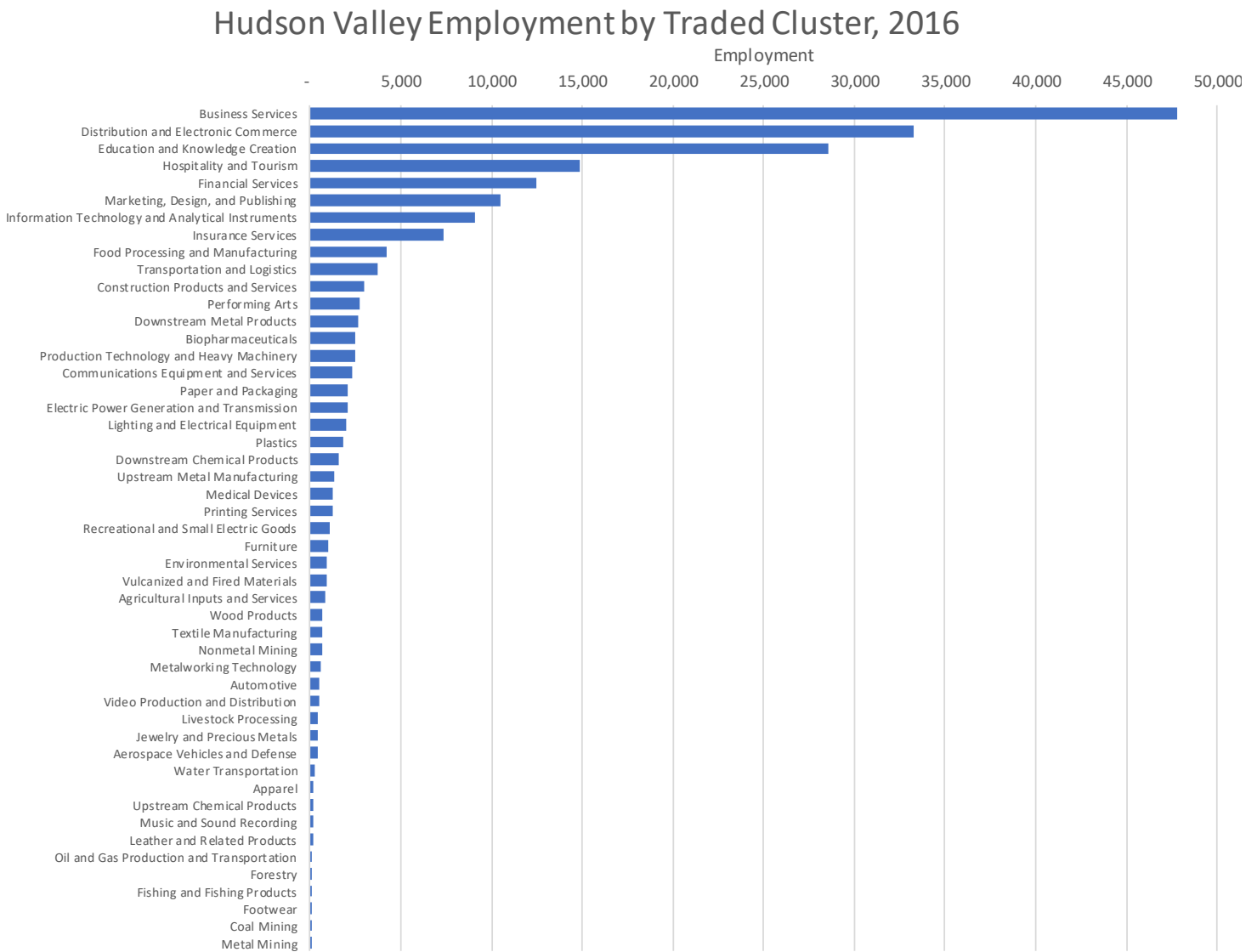


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Economic Strengths: Traded Clusters

US Cluster Mapping data in figure 2 and 3 document the level of employment and change in employment and establishments in key “traded” clusters (i.e., clusters which derive most of their revenue from outside the Hudson Valley). Figure 3 documents declines in key manufacturing or manufacturing-related sectors (e.g., biotech & biomedical, advanced manufacturing, information technology, etc.), with gains in services such as health care, distribution, tourism and professional and financial services. (A more extensive statistical overview of the Hudson Valley economy is found in the appendices to this document including county-specific data on important traded and local clusters for each of the region’s seven counties.)

Figure 2. Employment by “Traded Cluster,” Hudson Valley Region, 2016.

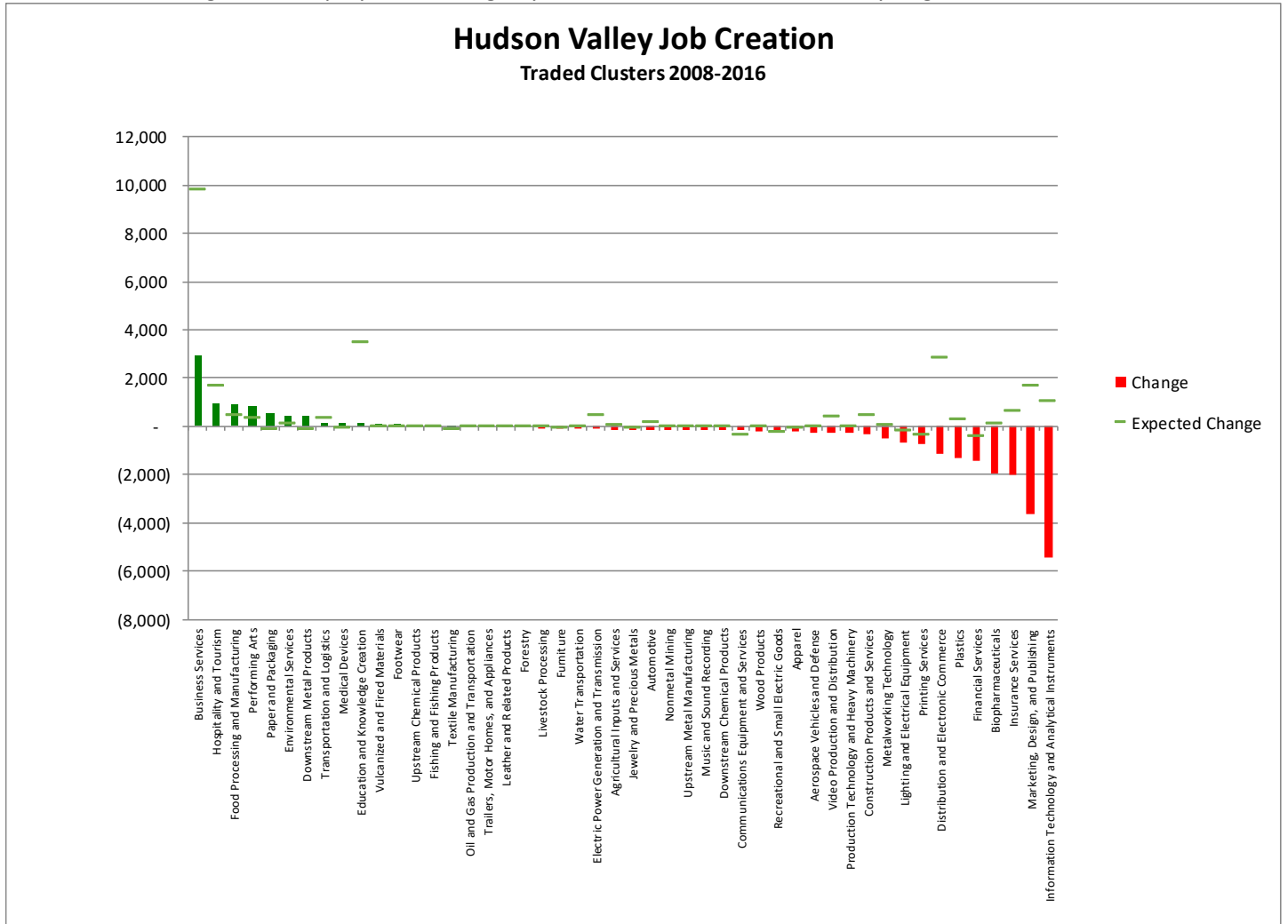


Source: US Cluster Mapping Project.



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Figure 3. Employment Change by “Traded Cluster,” Hudson Valley Region, 2008-2016.



Source: US Cluster Mapping Project.

Table 7 provides a listing of the ten largest private employers in each of the Hudson Valley’s seven counties.

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Table 7.  
Ten Largest Private Employers in Each County

Dutchess	Orange	Putnam	Rockland	Sullivan	Ulster	Westchester
<ul style="list-style-type: none"> <li>• CH Energy Group Inc</li> <li>• Mid-Hudson Regional Hospital</li> <li>• Adams Fairacre Farms</li> <li>• Mid Hudson Plating</li> <li>• Devereux in New York</li> <li>• H O Penn Machinery Co Inc</li> <li>• Cardinal Hayes School for Special Children</li> <li>• Elant at Fishkill Inc</li> <li>• Quaker Premier</li> <li>• Hudson River Community Health</li> </ul>	<ul style="list-style-type: none"> <li>• ShopRite Supermarkets Inc</li> <li>• Mediacom Communications Corporation</li> <li>• Orange Regional Medical Center - Horton Campus</li> <li>• Kolmar Federal Credit Union</li> <li>• Greater Hudson Valley Health System</li> <li>• Balchem Corporation</li> <li>• Precision Pipeline Solutions</li> <li>• YRC</li> <li>• C &amp; S Wholesale Grocers</li> <li>• St Luke's Cornwall Hospital - Cornwall Campus</li> </ul>	<ul style="list-style-type: none"> <li>• Ace Endico Corp.</li> <li>• Hudson Valley Hospital</li> <li>• Medical Center at Cold Spring</li> <li>• Putnam Precision Products Inc.</li> <li>• Home Depot</li> <li>• Putnam ARC Clinic Service</li> <li>• Optogait Microgait USA</li> <li>• Putnam Nursing &amp; Rehabilitation Center</li> <li>• Whalen's Moving &amp; Storage Co Inc</li> <li>• Thunder Ridge Ski Area</li> </ul>	<ul style="list-style-type: none"> <li>• Montefiore Nyack Hospital</li> <li>• Good Samaritan Hospital</li> <li>• Helen Hayes Hospital</li> <li>• Orange &amp; Rockland Utilities</li> <li>• Pfizer Pharmaceuticals</li> <li>• PDI/Nice-Pak</li> <li>• Par (Endo) Pharmaceuticals, Inc,</li> <li>• Lamont Doherty Observatory</li> <li>• Intercos America, Inc,</li> <li>• Rockland Bakery, Inc.</li> </ul>	<ul style="list-style-type: none"> <li>• Center For Discovery</li> <li>• Murray's Chicken</li> <li>• Empire Resorts Inc</li> <li>• Walmart Supercenter</li> <li>• Monticello Casino Management</li> <li>• Resorts World Catskills</li> <li>• YO1 Wellness Resort</li> <li>• Private Flight Maintenance</li> <li>• Crystal Run Healthcare Rock Hill</li> <li>• Smokers Choice</li> </ul>	<ul style="list-style-type: none"> <li>• Mohonk Mountain House</li> <li>• Metrahealth</li> <li>• Golden Hill Health Care Center</li> <li>• Ametek Rotron</li> <li>• Belleayre Mountain Ski Center</li> <li>• Ten Broeck Commons</li> <li>• ShopRite</li> <li>• Tax Savers</li> <li>• Wingate At Ulster</li> <li>• Family Practice Center-Kingston</li> </ul>	<ul style="list-style-type: none"> <li>• International Business Machines Corporation</li> <li>• PepsiCo Inc</li> <li>• Bunge Limited</li> <li>• Schott North America Tubing</li> <li>• Xylem Inc</li> <li>• Amscan Inc</li> <li>• Mastercard</li> <li>• Regeneron Pharmaceuticals Inc</li> <li>• Westchester Medical Center</li> <li>• Fujifilm USA Inc</li> </ul>

Source: Database USA.

*Emerging Industries*

**Manufacturing:** Specialized and advanced manufacturing remain important emerging industries for the Hudson Valley. Technological innovation may dampen or even eliminate prospects for sustained job growth, but such firms will continue to make substantial contributions to the Gross Regional Product of the Valley.

**High-value-added services:** Technology is blurring the line between firms that make goods versus those that provide services, with IBM being a leading example. That, coupled with the Region’s proximity to New York City’s financial services hub, suggest that high-value-added professional, technical and financial services will continue to grow in the Hudson Valley region, particularly in Dutchess County, Orange County and Rockland and Westchester counties. For example, Rockland has seen major growth in the tech and financial sectors with expanding companies like PayServ, E13, SyncSort, J.P. Morgan Chase Data Center and ConnectOne Bank.

**Health services:** Health services will remain a growth industry in the region. According to the US Cluster Mapping Project, “local” health services (those serving clients from within the Hudson Valley) added over 15,000 jobs from 2009 to 2016, outpacing national growth in locally-oriented health services. The continued growth of the Center for Discovery and other institutions serving clients from outside the region

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have the potential to transform the Valley’s health services into a “traded” cluster, bringing revenue into the Region from beyond its borders and expanding its contribution to the Regional economy.

**Food, beverage and agriculture:** The “farm-to-table” movement combined with the growth of wineries, breweries and distilleries continue to provide impetus to growth in this sector. As seen in Figure 9, Food Processing and Manufacturing was the third largest source of new jobs in the Valley’s “traded” clusters from 2009 to 2016.

**Tourism, arts & culture:** Table 5 and Figure 9 both show this sector as a continued source of growth in the Valley. The continued emergence of these industries will be closely tied to the growing popularity of “farm-to-table” agriculture and the craft beverage industry. The arts sector is also buoyed by the Region’s proximity to New York City, both as a source of audiences and talent for creative activity in the Valley.

### *Declining Industries*

Declining sectors are of two types: traditional retail and activities that generate goods or services that involve routinized work.

**Retail:** A recent article in *The Atlantic* traced the decline in retail to three factors:

1. the emergence of on-line shopping
2. the over-building of retail space (particularly malls) in the US in the last part of the 20<sup>th</sup> Century
3. a shift in consumer preferences to consuming “experiences” (e.g., dinners with friends) over material goods.<sup>3</sup>

As these trends continue, retail, particularly “big box” stores will continue to struggle, leading to more closures and more losses of retail jobs. In addition, the extent to which shopping shifts from local stores to on-line businesses, counties and cities have the potential for significant loss of sales tax revenues. A countervailing force to this trend is the rise of “experience-based retail” in which the consumption of

goods and services is integrated into a larger experience—e.g., attendance at a cultural event. In that case, the link between retail and tourism, arts and culture should become stronger in the years ahead.

**Routinized work:** As automation and artificial intelligence applications continue to infiltrate the workplace, routinized work will be taken over by machines, in the way that the word processor made the stenographer obsolete and the optical scanners reduced the demand for cashiers in the latter part of the 20<sup>th</sup> Century. As artificial intelligence gains a foothold in the economy, many more jobs will be at risk, ranging from warehouse personnel, truck drivers, x-ray technicians and eventually language translators and attorneys.<sup>4</sup> Thus, as AI becomes more commonplace in the economy, declining sectors could range from simple manufacturing to routinized services (e.g., copy shops) to distribution.

## Resiliency and the Hudson Valley Region

The Economic Development Administration, in its efforts to improve the CEDS is requiring that the document contain a resiliency component, maintaining that “regional economic prosperity is linked to an area’s ability to prevent, withstand, and quickly recover from major disruptions (i.e., ‘shocks’) to its

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<sup>3</sup> (Thompson, 2017)

<sup>4</sup> (Katja Grace, 2017)

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economic base.” Specifically, the actions should address situations where the affected community would have ability to recover, withstand or avoid a shock to its economy from one of three areas:

- “Downturns or other significant events in the national or international economy which impact demand for locally produced goods and consumer spending;
- Downturns in particular industries that constitute a critical component of the region’s economic activity; and/or
- Other external shocks (a natural or man-made disaster, closure of a military base, exit of a major employer, the impacts of climate change, etc.)”.

In the Hudson Valley Region, at the present time, all three of these situations are impacting various communities and economies. This section looks at the Hudson Valley region from the perspective of economic and environmental resilience.

### Economic Resilience

One of the strongest predictors of economic resilience, is economic diversity. That is to say, if a local economy’s employment and/or output is dispersed among many different sectors, damage to any one sector is less likely to devastate the economy as a whole. Thus, economic diversification is an important measure of economic resiliency.

Table 8 provides an indication of the economic diversity of each of the counties in the Hudson Valley using EMSI’s economic diversity index that measures the diversity of an economy among the following sectors: Capital-Intensive Manufacturing, Distributive Services, Healthcare, Engineering-Intensive Manufacturing, Higher Education, Government, Media Entertainment & Recreation, Finance, Insurance & Real Estate, Knowledge-Intensive Business Services, Corporate Management & Administration,

County	EMSI Diversity Index	National Rank (out of 3,142 Counties)	Chmura Diversity Index
Dutchess	98.5	48	64.0
Orange	82.4	554	58.12
Putnam	38.1	1,945	
Rockland	68.9	977	63.40
Sullivan	90.4	301	
Ulster	98.7	43	
Westchester	55.1	1,410	56.43

Source: EMSI & Chmura (supplied by Rockland County)

Agriculture & Natural Resource Extraction. The concept behind this index is to compare counties across a similar mix of high-value-added, export-oriented sectors. A score of 100 indicates maximum economic diversification. Table 8 also shows how each of the region’s counties ranks in its diversity among the 3,142 counties in the United States.

It is worth noting that all Hudson Valley counties but Putnam rank the top half of US counties in diversity in the EMSI Diversity Index. Putnam’s diversity is constrained by its small land mass and the extensive amount of undevelopable, watershed lands in the County. Westchester and Rockland also have relatively low economic diversity in the sectors included in EMSI’s index, due to the presence of large corporate installations in each county in the relevant sectors. These contribute to the overall prosperity that these counties enjoy. However, lower diversity can make some counties vulnerable to disruptions in particular industries. Note also that Ulster and Dutchess have the highest economic diversity in the region. This is likely a function of how these counties rebuilt their economies after the massive IBM downsizings in the

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early 1990s. In general, the Hudson Valley appears to be a relatively diverse, and therefore relatively resilient economy. Similarly, Sullivan County has relatively high diversity due to its efforts to offset the decline in its once-dominant resort industry. Note also that the Chmura Diversity Index (which includes other sectors beyond the export-oriented sectors found in the EMSI index) shows Rockland and Dutchess counties with the lowest overall diversity for those counties in the region for which Chmura reports the data.<sup>5</sup> Major companies in Rockland encompass an extremely wide range of industries in food, pharma, cosmetics, packaging, biomed, tech, sports-related and more. The type of commercial space they occupy is in so much demand that it ensures permanent occupancy, yet its relatively low economic diversity is worth monitoring.

The volatile market reaction to tariffs and a trade war are making headlines but the long-term effect, if any has yet to be determined on locally produced goods and/or higher prices affecting consumer spending. The Resiliency component and a goal of the CEDS will be to follow pending changes that may happen as a result of these programs and identify potential areas of impact locally that may be impacted.

The downturn in specific industries that make up a critical component of jobs or a local economy is currently happening in our region also. Currently, the Town of Cortlandt in Westchester County is taking actions, knowing that it will be experiencing adverse economic impact with the closure of Indian Point Nuclear Power Plant. Although hailed by many, the loss of several thousand jobs, and millions of dollars in tax revenue to the School District, the Town, several hamlets, villages, and the County will have a long-term impact on a large portion of our region.

The Town of Cortlandt is working on feasibility studies and identifying areas for potential economic growth and development to offset the loss of revenues as well as create new employment opportunities for those affected. The Economic Development Administration as well as the State of New York are developing programs and funding opportunities to assist in rebuilding the economy in this area. The resiliency component and goal for the CEDS will be to assist Westchester County and the Town of Cortlandt as they work through the closure and impending adverse economic impact.

As seen under Goal 2 below, the resiliency component and objective for the CEDS for this issue will be to provide technical support to and identify funding sources for areas of impact. In addition, providing education on the development of diversification of the economic base in communities would provide guidance to the local public and private sector on alternate sources of revenue and jobs and potentially mitigate some of the adverse economic impacts.

### Environmental Resilience

The third type of resiliency detailed by the EDA is the ability to withstand Natural disasters and the effects of Climate change. Unfortunately, the Hudson Valley is all too familiar with natural disasters, the region has seen 7 Federal Disaster Declarations since 2010 but it was Superstorm Sandy that got everyone's attention. The Federal disaster declaration for that storm allocated over \$1.1 billion towards damage in the Hudson Valley alone. The resiliency component in this case looks at:

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<sup>5</sup> "For a comparison region, a relatively low index value implies that the region is fairly economically diverse, while a high value means the region is not very economically diverse." <http://www.chmuraecon.com/interactive/economic-diversity/>

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- Vulnerability
- Closures and loss of income for businesses
- Loss of wages for employees
- Critical facilities located in flood plains

The Hudson Valley Regional Council is addressing this issue through education and outreach. At a recent meeting of the HVRC Board of Directors, we had a presentation from Kytt MacManus, a scientist affiliated with CIESIN (Center for International Earth Science Network) which is part of the Earth Institute at Columbia University. Mr. MacManus gave a tutorial of a new program that has been developed. The *Hudson River Flood Impact Decision Support System*<sup>6</sup> which is an online interactive map that illustrates flood risk in New York State in a variety of sea level rise and storm frequency scenarios. It enables users to evaluate risk based on these scenarios, and to determine the impact on and effect of social vulnerability, natural resilience, and critical infrastructure. The tool also provides downloadable estimates of flooding impacts, including affected population and critical infrastructure, and cost estimates of building damage.

This open source tool was developed with funding from the New York State Energy Research and Development Agency (NYSERDA) in order to help residents, municipal planners, and businesses in New York State prepare for risks associated with flooding, storm surge, sea level rise and the effects of climate change. For example, Table 9 shows the estimated damage to the built environment and associated costs for a 100-year flood for each county and for the Hudson Valley as a whole.

HVRC is discussing a relationship with CIESIN, so that we may introduce this tool to municipal officials, public and private sector developers, educational institutions and non-profits in our area to assist them in planning for and mitigating the impacts. As indicated under Goal 2, below, the Resiliency component and objective for the CEDS in this issue is to provide education and outreach to communities to give them the tools they need to make decisions about addressing vulnerabilities at all levels.

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<sup>6</sup><https://columbia.maps.arcgis.com/apps/MapSeries/index.html?appid=bbefdeb3474f45e3921964bbcd64cf14>

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Table 9. Projected Damage Associated with a 100-Year Flood from Hudson River Flood Impact Decision Support System							
	Dutchess	Orange	Putnam	Rockland	Ulster	Westchester	Region Total
Damaged Buildings	86	80	43	666	281	666	<b>2,070</b>
Estimated Loss (\$)	\$5,501,224	\$10,923,778	\$3,524,790	\$37,403,595	\$40,923,402	\$62,506,688	<b>\$210,632,615</b>
Airports	0	0	0	0	0	0	<b>0</b>
Boat Launches	4	0	0	2	0	9	<b>15</b>
Bridges	6	4	0	9	5	60	<b>109</b>
Bus Routes	1	1	0	13	0	16	<b>33</b>
Bus Stations	0	0	0	0	0	0	<b>0</b>
Dams	1	0	0	0	2	5	<b>12</b>
DEC roads trails	0	0	0	1	0	0	<b>1</b>
EIA Power Plants	1	0	0	0	0	0	<b>1</b>
Emergency Operations Centers	0	0	0	0	0	0	<b>0</b>
EMS	0	0	0	0	0	2	<b>2</b>
Fire Stations	0	0	0	1	0	2	<b>3</b>
Heliports	0	1	0	0	1	1	<b>3</b>
Hospitals	0	0	0	0	0	0	<b>0</b>
Large Culverts	0	0	1	0	2	5	<b>9</b>
Nursing Homes	0	0	0	0	0	0	<b>0</b>
Places of Worship	0	0	0	0	1	0	<b>1</b>
Police Stations	0	0	0	0	0	0	<b>1</b>
Power Transmission Lines	2	0	0	2	1	1	<b>14</b>
Prisons	0	0	0	0	0	0	<b>0</b>
Public Libraries	0	0	0	1	0	1	<b>2</b>
Railroad Junctions	1	2	0	2	2	9	<b>20</b>
Railroads	15	4	3	2	2	11	<b>42</b>
Railroad Passenger Stations	1	0	0	0	0	4	<b>5</b>
Roads	7	4	2	15	9	66	<b>121</b>
Schools	0	0	0	0	0	3	<b>3</b>
SPDES Wastewater	6	8	1	3	4	12	<b>43</b>
Water Wells	1	0	1	2	1	0	<b>5</b>
Water Withdrawal Locations	0	0	0	1	0	2	<b>5</b>

Source: Columbia University Center for International Earth Science Information Network (CIESIN)

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## Key Findings: SWOT Analysis

SWOT Analysis is a technique for summarizing analytical findings into a preliminary assessment of Hudson Valley's competitive situation describing the Region's **Strengths**, **Weaknesses**, **Opportunities** and **Threats** (hence the term SWOT analysis). SWOT analysis is summarized in Table 10. As shown in the table, strengths are conditions internal to the Region that can be employed to support economic growth, weaknesses are conditions internal to the Hudson Valley Region that could hamper its ability to support economic growth, opportunities consist of conditions in the environment which the Region could mobilize to generate economic growth and threats are conditions in the environment that could diminish the possibility for growth in the Hudson Valley Region.

There are several points to note in the Hudson Valley's SWOT analysis.

**The Hudson Valley's proximity to New York City is both an opportunity and a threat:** that proximity helps drive some of the strengths in the region, including its economic diversity and dynamism along with the Region's access to talent. The Hudson Valley is adjacent to a metropolis with over 8 million people, and many of its workers are drawn from that area. Similarly, as pointed out in the detailed data in the Summary Background in the Appendices to this report, many Hudson Valley residents commute to New York City for employment, earning higher wages than available in the Region itself and ensuring that the Region retains a cadre of skilled, experienced workers in a variety of fields. On the other hand, the proximity to New York City can limit the Hudson Valley's economic prospects. For employers in the Hudson Valley, that proximity to New York can drive up the costs for labor, real estate, insurance and other factors important to economic success. At the same time, much of the Region serves as a source of water supply for the City, leaving those areas with an additional layer of development regulations to protect the quality of the City's water, that can add costs and delays to development in those areas.

**Population stagnation:** like most of the Northeast, the communities in the Hudson Valley are experiencing slow population growth and even decline. This exacerbates any shortage of skilled workers facing an industry in the region. Over the long term, such stagnation and decline will limit local demand for goods and services, constrain economic growth, and may erode the ability of local government to pay for services such as schools, roads, etc., as some communities may see fewer and fewer people left to bear the costs of such services.

**Limited infrastructure:** Virtually every type of infrastructure has the potential to constrain growth in the Region. As described in detail in the Summary Background in the Appendices' Data Compendium, broadband, transportation and utility infrastructure all have limitations in the Valley at present. The most serious infrastructure issues may relate to sewer and water. The lack of adequate municipal sewer and water at industrial sites can render those sites unable to support any development of a scale capable of generating a meaningful number of new jobs. At the same time, limited and failing sewer and water infrastructure severely hampers a community's economic and environmental resiliency.



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Table 10. SWOT Analysis for the Hudson Valley

STRENGTHS		WEAKNESSES																					
<ul style="list-style-type: none"> <li>• Economic Diversity                             <ul style="list-style-type: none"> <li>○ biotech and life sciences</li> <li>○ advanced manufacturing</li> <li>○ information technology</li> <li>○ distribution</li> <li>○ financial and professional services</li> <li>○ agriculture/food products</li> <li>○ tourism</li> </ul> </li> <li>• Talent/workforce</li> <li>• Quality of Life</li> <li>• Proximity to New York City</li> <li>• Transportation Access to Key Markets</li> </ul>		<ul style="list-style-type: none"> <li>• High tax/high cost location nationally</li> <li>• Infrastructure:                             <ul style="list-style-type: none"> <li>○ Sewer &amp; Water</li> <li>○ Transport</li> <li>○ Broadband</li> <li>○ Electricity</li> </ul> </li> <li>• Pockets of Distress</li> <li>• Population stagnation/decline</li> <li>• Limited Regional Planning Capacity for Infrastructure/Resilience</li> <li>• Too many layers of government</li> </ul>																					
OPPORTUNITIES		THREATS																					
<ul style="list-style-type: none"> <li>• Attraction of Small City/Small Town/Rural Lifestyle Adjacent to NYC metro area (tourism, workforce, industry relocation)</li> <li>• Urban Revitalization as exemplified by DRI Awardees:                             <ul style="list-style-type: none"> <li>○ Kingston</li> <li>○ Middletown</li> <li>○ New Rochelle</li> </ul> </li> <li>• Export/Traded Clusters</li> </ul>		<ul style="list-style-type: none"> <li>• Competition from other States/Regions for businesses and residents</li> <li>• Climate change</li> <li>• Continued technological disruption of retail</li> <li>• Global competition affecting local employers</li> <li>• Proximity to New York City</li> </ul>																					
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**Limited capacity to plan for infrastructure:** Meetings with planning and development officials held during this process highlighted constraints on the Region to plan for the infrastructure improvements needed to bolster economic and environmental resilience. Particularly in the case of sewer and water infrastructure, there are significant gaps in available information about the location and capacity of sewer and water lines. This must be addressed if the Region seeks to improve its economic and environmental resilience.

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**Key threats require resiliency to be fully integrated throughout the CEDS:** The threats associated with climate change and those accompanying global and technological challenges have the potential to dramatically undermine economic and environmental progress in the Region and beyond. Consequently, considerations for resiliency are integrated into this CEDS, rather than treated in a separate section.

## Regional Vision & Strategy

As described above and detailed in the Summary Background in the Appendices, the Hudson Valley Region has emerged as a key nexus where the economic, social, and cultural forces of a major global capital, New York City, meet and intermingle with the dynamics associated with the Valley's small cities, towns and rural areas—vibrant legacies in agriculture and food, industrial innovation.

**The Vision:** The Hudson Valley will maximize the advantages of its location at the nexus between the Upstate and Downstate economies.

Thus, the central element of a vision for the Hudson Valley Region must be to build upon and strengthen those connections between and among those forces. From this vision a clear strategic approach emerges.

**The Strategy:** Building connections for regional competitiveness, resiliency and prosperity

This strategy for the Hudson Valley Region's economic development has been created after careful consideration of the Mid-Hudson Regional Economic Development Council's economic development strategy (e.g., "Live, Work & Play"), the Hudson Valley Economic Development Corporation and its focus on 3-D printing, Eds & Meds, Food & Beverage, Biotech, Talent and Play (i.e., tourism, recreation & the arts) and the ongoing work of the Hudson Valley Agribusiness Development Corporation promoting dynamic agricultural entrepreneurship and viable local food systems.

Each aspect of this strategy has its own needs for connectivity.

*Economic competitiveness depends upon the physical connections provided by infrastructure and the virtual and institutional connections needed to create an effective capacity to plan for future infrastructure needs*

*Resiliency requires its own set of connections, particularly well-functioning sewer and water infrastructure along with providing local decisionmakers with the information and technical assistance they need to make decisions that foster economic and environmental resiliency in their communities.*

*Prosperity is made more possible by tighter connections with the New York City area. This enables commuters to the City to bring additional income and wealth into the Hudson Valley. It makes the Valley a logical destination for entrepreneurs and creatives from places like the East Village and Williamsburg seeking lower cost locations to grow their start-up businesses. Stronger connections also support the Region's tourism economy and its growing agriculture and food sectors.*

## Action Plan: Goals, Objectives & Evaluation Framework

This section outlines the goals and objectives of the Comprehensive Economic Development Strategy for the Hudson Valley Region, along with providing an evaluation framework for assessing the effectiveness

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in implementing this strategy. The goals and objectives are direct outgrowths of the regional strategy of “building connections for regional competitiveness, resiliency and prosperity.” They are listed below, with each accompanied by a recommendation for evaluating progress.

**Goal 1. Improve Economic Competitiveness through Physical Infrastructure Connections**

**Objective 1-1.** Provide technical and, as appropriate, financial support for sewer and water projects directly tied to job creation and/or improved environmental resiliency.

Evaluation: HVRC will facilitate funding applications for at least 10 major sewer and water infrastructure projects in the Region by 2022.

**Objective 1-2.** Foster expanded broadband connectivity throughout the region, but particularly in under-served areas experiencing economic street.

Evaluation: “Fiber to the premises” broadband connections will be established in at least 2 of the distressed areas identified in the Hudson Valley Region Distressed Criteria Statistical Report as included in the Appendices to this report by 2022.

**Goal 2. Improve Resiliency and Economic Competitiveness through connections to support the capacity for regional planning for municipal sewer and water infrastructure as a template for other types of regional infrastructure planning.**

**Objective 2-1.** Provide education and outreach to communities to give them the tools they need to make decisions about addressing vulnerabilities at all levels

**Objective 2-2.** Compile data on the condition and capacity of municipal sewer and water systems for each municipality in the Hudson Valley.

Evaluation: a compendium will be compiled on the condition and capacity of all municipal sewer and water systems in the Hudson Valley Region by 2021, with special emphasis on resiliency issues related to this infrastructure.

**Objective 2-3.** Establish a Task Force to address regional issues related to Sewer and Water infrastructure.

Evaluation: By 2022, the task force will have representatives from all 7 counties and have established a work plan for addressing regional issues regarding sewer and water infrastructure. By 2023, this regional planning capacity will be extended by the creation of a task force to address another type of infrastructure (e.g., roads, electricity, natural gas, etc.).

**Objective 2-4.** By 2020, begin to provide technical support to communities in the region undergoing economic disruption, helping them define strategies for the growth of new industries, while identifying funding sources for areas of impact in each of the region’s counties.

Evaluation: By 2021, the HVRC will have in place outreach and educational programs to help areas in the region that are undergoing substantial and severe economic disruption.

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Goal 3. Improve Economic Competitiveness through connections to Strengthen the Availability of a Skilled Workforce.

Objective 3-1. Enhance the capacity to deliver skills training to entry level and incumbent workers at job sites outside of schools, with an emphasis on serving trainees from distressed communities.

Evaluation: By 2022, the HVRC will conduct at least one seminar to provide information on funding available for workforce training, and will facilitate at least three funding applications for job training initiatives that will be launched providing employer specific skills training at an employer's location and/or a facility designed specifically for such training.

Objective 3-2. Improve the ability of employers to retain and attract qualified workers by improving quality of life in the Region's communities.

Evaluation: By 2022, there will be at least one major development project in each of the Region's counties designed to improve quality of life by enhancing dense, mixed-use centers, expanding housing options for employees in the Region, and/or providing cultural and recreational amenities appropriate for the attraction and retention of a skilled workforce.

Goal 4. Support Connectivity for Regional Prosperity

Objective 4-1. Support transit-oriented development to enhance the Region's ability to support its population that works in the New York City area.

Evaluation: By 2022, HVRC will hold at least one information session for communities on funding available to support transit-oriented development and will facilitate funding applications to support at least four transit-oriented developments that will be approved for communities providing transit service to New York City.

Objective 4-2. Foster expanded specialty food manufacturing in the Region

Evaluation: By 2022, HVRC will facilitate at least one funding application to enable agricultural products from the Hudson Valley Region to be processed for sale as value-added food products in New York City markets and beyond.

Objective 4-3. Support continued development of destination tourism in the Hudson Valley Region.

Evaluation: By 2022, HVRC will facilitate at least one application to help expand overnight tourism destinations in the region.

Priority Projects

The priority projects for this Comprehensive Economic Development Strategy were developed in consultation with planning and development officials from each of the seven constituent counties of the region. The projects are put forth as prototypes for the types of initiatives that the Hudson Valley Regional Council will be championing in support of the CEDS's goals and objectives. The projects, and/or others seeking similar results, will be instrumental in realizing this regional strategy. The projects are presented on a county-by-county basis.

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**Observations of County Officials:** As part of this strategy and the previous updates, county planning and economic development officials were interviewed and asked for their observations on their respective county economies and priority projects. Several common themes that emerged from the discussions over the years 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 Ron Hicks, and Eoin Wrafter, Director of Planning for the County. As noted in previous updates to the last CEDS, Dutchess County has consolidated and streamlined its economic development offerings into the Dutchess County Economic Development Alliance. The Alliance brings the economic development corporation, the industrial development corporation and county workforce development all into a single coordinated structure.

#### ***The Importance of Water Infrastructure***

As indicated in the annual updates to the previous CEDS, 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.

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- 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.

Water infrastructure is also critical if Dutchess County is to fully leverage the potential economic benefits for Federal investments in the area in and around the Franklin Delano Roosevelt Library in Hyde Park. Throughout 2017 and into 2018, the Town of Hyde Park's leadership has been working with a committee of local stakeholders, and a team of consultants, to determine what's preventing the redevelopment of the Town Center area. Given its prime location in the heart of Hyde Park, between the heavily trafficked Vanderbilt Mansion to the north, and the historic FDR site and the Culinary Institute to the south, the economic potential is clear. Through this data-driven process, the Town determined that the commercial district along Route 9 can be transformed into a thriving, pedestrian-friendly, mixed-use neighborhood, but that the most significant obstacle to revitalization of the Town Center is lack of public sewer. Once in place, it will enable property owners to develop their properties for much more intensive and profitable uses, like hotels, restaurants, and apartment buildings, which will in turn create jobs and expand the Town's tax rolls, spreading prosperity across Hyde Park. Visitors to the nearby tourist attractions, who currently drive through Hyde Park without stopping, will have ample reason to stop and spend money here. And the Town will be able to take pride in seeing a largely vacant and partially blighted stretch of Hyde Park transform into a lively, bustling, and revitalized Town Center.

### ***Workforce Development***

The county is also pursuing two major economic/workforce development initiatives to create workforce pipeline in the region:

1. At the Dutchess County airport, they are seeking to create a general aviation training program to prepare trainees to serve as maintenance technicians for general aviation aircraft.
2. In Wappinger Falls, the county is partnering with the Council of industry of Southeastern New York, Dutchess Community College, Wappinger Schools and Dutchess BOCES to create an advanced manufacturing training facility. This will create a pipeline of workers for existing industries. The Council of industry is recruiting the companies who need further training for incumbent workers.

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**Projects in Planning & Development Stages**

In addition, twelve projects were identified by Dutchess County as in the “planning and development” stage. These are listed below in Table 11. Following the table are several descriptions of projects exemplifying the Dutchess County’s development opportunities.

Table 11. Dutchess County Projects in the Planning and Development Stage		
Project	Projected Investment	Municipality
iPark (Industrial Redevelopment)	\$300,000,000	East Fishkill
Dutchess County JTC	\$145,000,000	Poughkeepsie
CONFIDENTIAL (Destination)	\$140,000,000	Rhinebeck
IBM	\$105,000,000	Poughkeepsie
Marist Health Quest Medical College	\$75,000,000	Poughkeepsie
Arthur S. May (Mixed-use)	\$60,000,000	Poughkeepsie
Marist Dyson Expansion	\$40,000,000	Poughkeepsie
Poughkeepsie Landing (Mixed-use)	\$25,000,000	Poughkeepsie
Pelton Manor (Housing)	\$18,000,000	Poughkeepsie
Docuware	\$17,000,000	Beacon
DCC Hangar	\$15,000,000	Wappingers
35 Academy	\$10,000,000	Poughkeepsie

Dutchess Community College Hangar: The 32,000-square-foot building will hold 8,000 square feet of classroom space, 12,000 square feet of hangar space and 12,000 square feet of leased space. This will enable the College to offer programming in aircraft and powerplant maintenance beginning in 2020.<sup>7</sup>

iPark: The former IBM East Campus in East Fishkill continues to add tenants at the site. It has extended the leases of two major tech companies – IBM (100,000 sq ft) and eMagin (44,000 sq ft). iPark has over 2,700 employees on site., including businesses related to the County’s Food Hub, including Cozzini Brothers Knives, Sloop Brewery and More Good Syrup.<sup>8</sup>

Marist Health Quest Medical College: Marist College and medical services firm Health Quest have joined in the creation of The Marist Health Quest School of Medicine, at the Vassar Brothers Medical Center in Poughkeepsie in a 100,000 square foot building that will host multiple uses, including faculty offices, lab space and classrooms. The first class is expected in 2022.<sup>9</sup>

**ORANGE COUNTY**

<sup>7</sup> ([https://www.dailyfreeman.com/news/aviation-studies-center-at-dutchess-county-airport-carries-million-price/article\\_ad5fec5b-dce9-5295-8758-85014ef775d4.html](https://www.dailyfreeman.com/news/aviation-studies-center-at-dutchess-county-airport-carries-million-price/article_ad5fec5b-dce9-5295-8758-85014ef775d4.html))

<sup>8</sup> (<https://thinkdutchess.com/ipark-84-officially-opens-food-hub/>)

<sup>9</sup> (<https://www.wamc.org/post/marist-college-and-health-quest-partner-medical-school>)

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Observations were provided by County Planning Commissioner David Church, County Economic Development Director Bill Fiorvanti and Planner Megan Tennermann. 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. 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. There are 20 hotels either, under construction, or built in Orange County over the last few years. There are currently four and planning.

### ***Agriculture & Food***

The County is experiencing continued development in the processing of food and agricultural products. Amy's Kitchen will have its manufacturing facility completed by 2021. The Milmar Food Group site in Goshen requires sewer and water infrastructure, which could also serve other nearby businesses. Civita, a medical marijuana production facility, is under construction in Warwick. There are two CDD oil plants, one in Warwick and wanted new Windsor.

### ***Manufacturing Diversity***

As reported in 2017's annual update of the CEDS, 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.

### ***Urban Revitalization and Mixed-Use Development***

The County is also anticipating a variety of mixed-use "neighborhood" projects. The area across from Newburgh Mall is being redeveloped as The Ridge in the Hudson Valley, a retail and mixed-use project. Much of this work is predicated on adequate sewer and water infrastructure. Water quality is a priority for New Windsor and Newburgh. Village of Harriman has a portable reverse osmosis plant with limited capacity. The water supply has had problems with infiltration of road salt. Limited sewage treatment



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capacity is also serving as a constraint in Harriman, Chester and Tuxedo. In order to expand its access to municipal sewer and water services, the Town of Deer Park is exchanging land with the city of Port Jervis. The town would provide land and Port Jervis would provide sewer and water services to foster development on the site. As an example of a neighborhood project focused on other infrastructure, the City of Newburgh is seeking to develop “broadband to the premises” connections.

***Water and Sewer Infrastructure***

As has been noted in annual updates of the previous CEDS, 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.

According to its 2015 Economic Development Strategy, “Work on infrastructure improvements throughout the County, including water and sewer services, tech infrastructure, community services, and planned road and transit improvements; assist partner agencies with data, mapping, and policy development as needed; and create and share educational programs about our key industries and other businesses to help municipalities improve their support.”<sup>10</sup> The County anticipates development projects in a variety of industries and areas.

**PUTNAM COUNTY**

**Observations from County Officials:** Observations were provided by County Planning Commissioner Sandra Fusco and County Planner Barbara Barosa. 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 in annual updates of the previous CEDS, 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***

As noted in the 2017 annual update of the previous CEDS, the City of Brewster 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

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<sup>10</sup> Orange County Planning Department, Orange County Economic Development Strategy, 2015, p. 5.

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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. A planning study by AKRF and Hudson Valley Pattern identified ten commercial corridors in the County that required various types of improvements. The ten commercial corridors are as follows:

1. Main Street in the Village of Cold Spring and the Village of Nelsonville (Town of Philipstown).  
From the Hudson River to Peekskill Road.

2. NYS Route 52 & U.S. Route 6 in the Hamlet of Carmel (Town of Carmel).  
From Vink Drive to Willow Road.

3. U.S. Route 6 in the Hamlet of Mahopac (Town of Carmel).  
From Tomahawk Street to Baldwin Lane.

4. U.S. Route 9 in the Town of Philipstown.  
From Fishkill Road to Briars Road.

5. Oscawana Lake Road and Peekskill Hollow Road in the Town of Putnam Valley.  
From Morrissey Drive to Lockwood Road and from Oscawana Lake Road to Putnam Valley High School.

6. NYS Route 52 in the Town of Kent and the Town of Carmel.  
From Horsepound Road to the Shoprite Shopping Plaza.

7. NYS Route 311 and Front Street in the Town of Patterson.  
From Maple Avenue to Burdick Road and from Route 311 to Townsend Street.

8. NYS Route 22 in the Town of Southeast. From Route 312 to Milltown Road.

9. Main Street in the Village of Brewster (Town of Southeast).  
From North Main Street to East Main Street.

10. U.S. Route 6/202 in the Town of Southeast.  
From Starr Ridge Road to the Connecticut State Line.<sup>11</sup>

***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

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<sup>11</sup> AKRF & Hudson Valley Pattern, *Putnam County Commercial Corridors Planning and Feasibility Study*, June, 2018, p. 5.

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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***

As noted in the 2017 annual update of the previous CEDS, 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**

Jeremy L. Schulman, Director of Economic Development and Tourism for the County provided insights to the economic prospects of Rockland County.

**Highlighted Issues/Opportunities:**

***Tourism***

As indicated annual updates to the previous CEDS, 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 any one of several suitably large municipal and private properties within the official 30-mile New York City film production zone hub.

***Advanced Manufacturing/Biotech***

Rockland County is seeing opportunities from a new generation of pharmaceutical companies with multi-national ownership that are smaller foot-print operations than those pharmaceutical firms traditionally found in the County's business parks. In the New York Center for Innovation, RK Pharma, a producer of generic injectables has established a major presence. It is anticipated that by the end of 2019, the firm will expand by 83,000 square feet of space, broadening its portfolio of injectable products as well as adding ophthalmic, dermal and oral solid dosage products. At the same time, Pfizer employs approximately 800 at the Center and has its own facility adjacent to the campus. Par Pharmaceuticals in the Village of Chestnut Ridge recently acquired a 25,000 square foot building near its existing facility for purposes of expansion.

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***Downtown Revitalization***

As indicated in annual updates to the previous CEDS, Rockland has been experiencing increased interest in downtown-related development. Transit-oriented development is increasingly important in Rockland. Gateway communities such as Suffern, Sloatsburg, Nyack and Haverstraw are seeing extensive residential, tourism-related and small business development. Train, bus and ferry infrastructure are important parts of this mix. The Haverstraw-to-Ossining ferry has supported the development of a new residential project in Haverstraw of over 200 units.

***Infrastructure as an Opportunity***

As indicated above, the Mario M Cuomo 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. In addition, due to its proximity to New York City and a major Orange & Rockland Utilities Verizon substation, Rockland County has attracted a significant number of data centers, both stand-alone operations and data centers located within company headquarters. This includes the Bloomberg and Fifteenfortyseven Data Centers in the Town of Orangetown.

***Food & Agriculture***

Food processing is also an important part of its advanced manufacturing sector. Star Kay White, a manufacturer of flavoring extracts recently bought a building next to its campus in Congers.

**SULLIVAN COUNTY**

Observations were provided by Freda Eisenberg, the County Planning Commissioner and Sullivan Partnership President, Mark Baez and Laura Quigley, Director of Workforce Development. While the opening of a casino in Monticello has not been without problems, it has provided a substantial boost to employment in the County. In addition, 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

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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.

### ***Priority Projects***

#### 1. Light Industrial Park – Light Industrial Park Monticello Opportunity Zone.

A publicly owned 78-acre parcel of vacant land at a major highway exit will be brought to Build Now NY-certified shovel ready standards to support 300,000 SF of advanced manufacturing, distribution and other tradable sectors. The project will help meet the regional demand for commercial industrial space, as vacancy rates have fallen below 3%; there is a prospective tenant for the site that will bring a manufacturing and distribution facility using new, proprietary technology to produce the sweetener stevia. Located 1/4 mile west of Exit 106 on RT17/future I-86 in the Village of Monticello's Opportunity Zone, the site has excellent transportation access and municipal water and sewer. Adjacent to the Village's central business district, the project will contribute to downtown revitalization.

2. TCFD Project -- The Center for Discovery (TCFD) has purchased the former Frontier Insurance Headquarters, located in Rock Hill, NY. In an effort to raise the standard of complex care in New York State, the building will house a Special Education Academy (853 school), a Children's Specialty Hospital, and The Research Institute for Brain and Body Health, with an expected completion date in 2020.

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3. Monticello Downtown Revitalization – Implementing the Grow the Gateways strategic economic development plan for the Town of Thompson and Village of Monticello, new financial incentives have been brought online to spur area redevelopment. These include area designation as a federal Opportunity Zone; pending designation of downtown Monticello as a National Register Historic District, making property improvements eligible for state and federal historic tax credits; and the local adoption of the NYS 485-a real property tax abatement for investment into restoring mixed use buildings. A Strategic Code Enforcement Plan for the Village has been completed to complement the carrots of financial incentives with sticks of property maintenance requirements and a vacant property registry. Downtown anchor projects in development include redevelopment of mixed- use buildings and restoration of a long vacant historic movie theater to support a mix of film, performing arts and community development programming.

Sullivan County recently initiated a County Mass transit program in August 2019. “MOVE Sullivan” was developed with input the County Office of Workforce Development in consultation with from some of the county’s largest employers and will have two loops, running Monday through Friday, serving the major population centers. The schedules were created to accommodate shifts at some of the larger employers, such as the Regional Medical Center, the Casino, etc. The County anticipates expansion of the service with the development of feeder routes to build-out a county -wide program in a few years.

**ULSTER COUNTY**

Ulster County Planning Commissioner Dennis Doyle and County Director of Economic Development Suzanne Holt provided 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

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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. As indicated in annual updates to the previous CEDS, 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.

There are also emerging opportunities related to tourism. In the Town of Wawarsing and Village of Ellenville, the site of the former Nevele Hotel is in the REAP zone and represents a strong opportunity for resort and tourism uses. In addition, the Village of Ellenville just acquired the Shawangunk golf course – – this is in Opportunity Zone and has the potential as a year-round tourism destination.

***Infrastructure Issues***

In addition, there are other potential projects at various locations in the County facing infrastructure constraints. The Turk property on Route 44/55 in Plattekill is zoned industrial, but would benefit from

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municipal infrastructure. In the Town of Lloyd, there is a site north of the Zumtobel factory that requires sewer and water extension to be fully developed. In the Town of Esopus the former Dyno Nobel site (approximately 80 to 90 acres) requires extensive cleanup including removal of byproducts of explosives currently held in lagoons. In addition, the Kedem Winery site in the Town of Milton could benefit from infrastructure.

***Priority Projects***

The County has identified three priority projects for development:

1. Tech City, the former IBM site in the City of Kingston and Town of Ulster: There are 20 to 35 businesses in Tech City. Farm Bridge in the Hudson Valley Harvest are both located there and may need to relocate. The county has a shortage of smaller maker space buildings. These typically require 15,000 to 20,000 ft.<sup>2</sup> spaces for small companies employing 5 to 25 people. A revitalized Tech City could be the site of these kinds of maker spaces. However, the site is arrears on its property taxes and needs extensive environmental remediation. The debris disposal itself could cost \$500,000.

2. The Hydro/Schrade site in the Town of Wawarsing: Core Components has purchased the Schrade site. They are a truss manufacturer and are looking to open a manufacturing facility there. This site is part of the Sullivan/Wawarsing REAP Zone and the Opportunity Zone for the town of Wawarsing.

3. Hudson Valley Wine Village in the Town of Lloyd. It is recently received “shovel ready” status, but to reach its full development potential, it needs full sewer and water service. Currently, it has a water connection to the Highland water district.

**WESTCHESTER COUNTY**

Observations were provided by County Planning Commissioner Norma Drummond, Chief of Staff Dennis Power, Director of Operations Joan MC Donald, Legislative Legal Counsel Chris Crane, Commissioner Dept of Public Works Hugh Greechan, Director of Economic Development Bridgett Gibbons, Susan Spear, Assistant to County Exec. George Latimer, Director of Energy Conservation and Sustainability Peter McCartt, Director of Community Development Anthony Zaino, and Bill Brady, Westchester Co. Dept of Public Works. Westchester County continues to experience an economic expansion with solid activity at the high end of the economy.

***Highlighted Issues/Opportunities:***

***Infrastructure***

As indicated in annual updates to the previous CEDS, 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



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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.

Telecommunications infrastructure is also a concern for development in the County. In telecommunications, 5G Wi-Fi is on the horizon, and the County needs an approach to ensure its effective implementation. Some areas in urban centers are not well served by broadband. It is often difficult to get from the pole on the street to multifamily housing. This places urban centers at a disadvantage.

The county airport is an important asset in this regard. Currently, approximately 75 percent of flights are general aviation (flights not involving ticketed passengers), and approximately 60 percent are classified as “corporate aviation.” Thus, the airport is an important asset for the Fortune 100 firms in Westchester County as it could be. As more firms seek to locate in the county, there is also the opportunity to expand general aviation services, particularly if more hangars were constructed at the airport.

The County continues to experience growth in high-value-added economic activities. These include:

***Biotech & Health Care***

Technology industries are important for the County’s economy. For example, healthcare is an important sector for Westchester County as represented by Westchester Medical Center and the Touro medical school and dental schools at the New York Medical College campus. In addition, Touro Medical College has expanded its Grasslands campus to add programs in dentistry and physicians assistance.

Regeneron headquarters 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.

***Arts Industry & Media***

In addition, the arts industry and media sector (AIM) is very important for the County. Peekskill has become a hub for pre-production and postproduction work for television and movies. The Mount Vernon production studio is looking to expand. Lionsgate announced its participation in a production studio

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development in downtown Yonkers. The County also has a growing business incubator. Element 46 in White Plains currently has ten businesses within it, and is looking to expand its offerings later this year.

***Higher Education***

SUNY Purchase has a cyber security curriculum. This helps position the County as a leader in technology innovation. As indicated in the 2017 annual update of the previous CEDS, Education First, a private institution for international education has purchased former Marymount Campus. On the other hand, Westchester County does not have a research university. This limits the potential for innovation technology-based economic development. Consequently, it is important for the County to try to build links with New York City-based universities such as Columbia, NYU, Cornell, etc.

***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. 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. Sleepy 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. 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.

In addition, adaptive reuse of office parks and institutional buildings is important for the County. For example, the old United Hospital in Port Chester is available. It is at the intersection of Interstate 95 Interstate 287. There is a proposal to create a boarding high school or former IBM plant in Somers. The parcel has been subdivided for additional development. In addition, urban revitalization is continuing in Yonkers, New Rochelle and White Plains. There are estimates of 10,000 units of housing being created. In addition, the General Motors site in Sleepy Hollow is being redeveloped. It will be mostly housing, some retail, and a hotel.

***Priority Projects***

Clearly, the County has a variety of opportunities to pursue. Two are particularly important for the County:

1. Development of its twelve Opportunity Zones. The County was able to secure designation of 12 Opportunity Zones in the municipalities of Cortlandt, Mount Pleasant/Valhalla, Mount Vernon, New

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Rochelle, Peekskill, Port Chester, White Plains and Yonkers. These will be valuable assets for the County and the participating municipalities to leverage private sector investment in areas with growth potential.

2. Responding to the closure of Indian Point. As the Indian Point site is removed from the grid and slated for sale over the next two years, Westchester County will be working aggressively to mitigate any negative economic impacts associated with the closure of the plants and seeking new opportunities for the affected parcels and communities.

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Appendices

- a. Data Compendium
  - i. Summary Background
  - ii. Upstate/Downstate Regional Comparison
- b. Hudson Valley Region Distress Criteria Statistical Report
- c. Previous EDA Investments in the Hudson Valley Region [Pat P]
- d. Mid-Hudson Regional Economic Development Council Strategy Update, 2018
- e. Hudson Valley Economic Development Corporation Annual Report, 2018
- f. Mid-Hudson Regional Sustainability Plan, 2017
- g. Putnam County Commercial Corridors Study, 2018
- h. Orange County Economic Development Strategy, 2015