



Hudson Valley Region Comprehensive Economic Development Strategy



2021 Annual Update to 5-year CEDS, 2019-2023

December 2022

Hudson Valley Regional Council 5-year Comprehensive Economic Development Strategy
2021 Annual Update

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Introduction & Overview: Covid-19 and the Hudson Valley Economy

The Comprehensive Economic Development Strategy (CEDS) is a five-year planning document with annual updates on the economic conditions in the Hudson Valley Region since the last adopted CEDS. This CEDS represents the 2021 Annual Update to the 2019-2023 CEDS. In that document, the Hudson Valley Region was characterized as a “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 Region’s small cities, towns and rural areas—vibrant legacies in agriculture and food, industrial innovation.”¹ In the intervening months, that characterization remains unchanged. However, the emergence of the Covid-19 pandemic has led to unprecedented economic disruption throughout the nation and globe.

Not only did the pandemic and its associated lock-downs dramatically reduce overall economic activity, the response by business in various sectors accelerated trends already at work in the economy. These, in turn, have created new challenges and opportunities across the globe and, specifically in the Hudson Valley region. This section provides a description of those overall challenges and opportunities and then analyzes data to assess the impact on the Hudson Valley Region in particular.

The challenges emerging from the pandemic include the disruption of the leisure and hospitality sectors in the face of economic lockdowns and general fear of occupying space in proximity to others. This has left many tourism businesses, restaurants and small-scale retailers and service businesses with bleak short-term prospects. As indicated in this analysis, much of the damage done by Covid-19 has fallen upon small businesses that lack the reserves or access to capital needed to weather this disruption. They are at heightened risk of disappearing.

At the same time, transportation, distribution and warehousing enterprises have seen pre-Covid trends accelerate. Networks of large scale, remotely located, centralized distribution centers are being replaced by smaller facilities nestled in and around major market centers to enable more rapid, flexible responses to the growing volume of on-line orders. Similarly, as the pandemic has accelerated the move to remote work, existing models of stand-alone office parks are being reconsidered in lieu of smaller, mixed-use facilities. Complementing this trend is the “hybridization” of food and retail enterprises, where the concept of a stand-alone grocery store or restaurant is giving way to a recombination of this uses (along with office space and warehousing) into new multi-use enterprises and facilities.

Finally, the use of remote work by companies has been accelerated by the pandemic. Located in the transition between the New York City region and Upstate New York, the Hudson Valley is likely to feel the long-term effects of this trend. Indeed, it is a potential source of growth for the Region in terms of population, employment and wealth. Analyses in this section indicate that, while the overall numbers may be small, the trend is already having an effect on hiring practices of the Region’s employers as well as on the housing market, and the Hudson Valley appears to be receiving an ever-greater number of relocating workers.

¹ Hudson Valley Regional Council, *Comprehensive Economic Development Strategy, 2019-23*, page 24.

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Changing Threats and Opportunities Associated with Covid-19

The pandemic has accelerated a number of trends that are affecting and will continue to affect the Hudson Valley economy. This section describes four trends and what they might mean for the region:

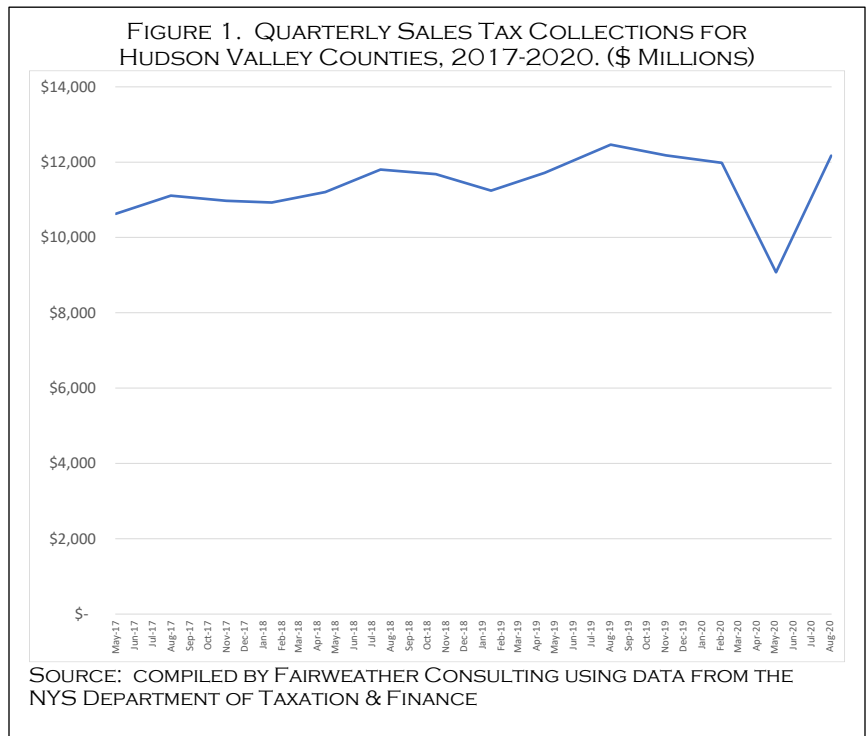
- The Impact on Tourism, Hospitality and “Mom & Pop” Businesses
- The Transformation of Warehousing & Distribution
- Convergence & Hybridization in Food & Retail
- The Rise of Remote Work & “Space as a Service”

The Impact on Tourism, Hospitality and “Mom & Pop” Businesses

One of the most dramatic and damaging impact of the Covid-19 pandemic has been its effect on main street businesses and tourism-related enterprises. Social distancing, and in extreme cases, lockdowns are important tools in the fight against the pandemic. But they can reduce or even eliminate the demand for main street shopping not only in the Hudson Valley, but across the globe. A recent report by McKinsey described it this way:

COVID-19 has caused an unprecedented crisis for the tourism industry. International tourist arrivals are projected to plunge by 60 to 80 percent in 2020, and tourism spending is not likely to return to precrisis levels until 2024. This puts as many as 120 million jobs at risk.²

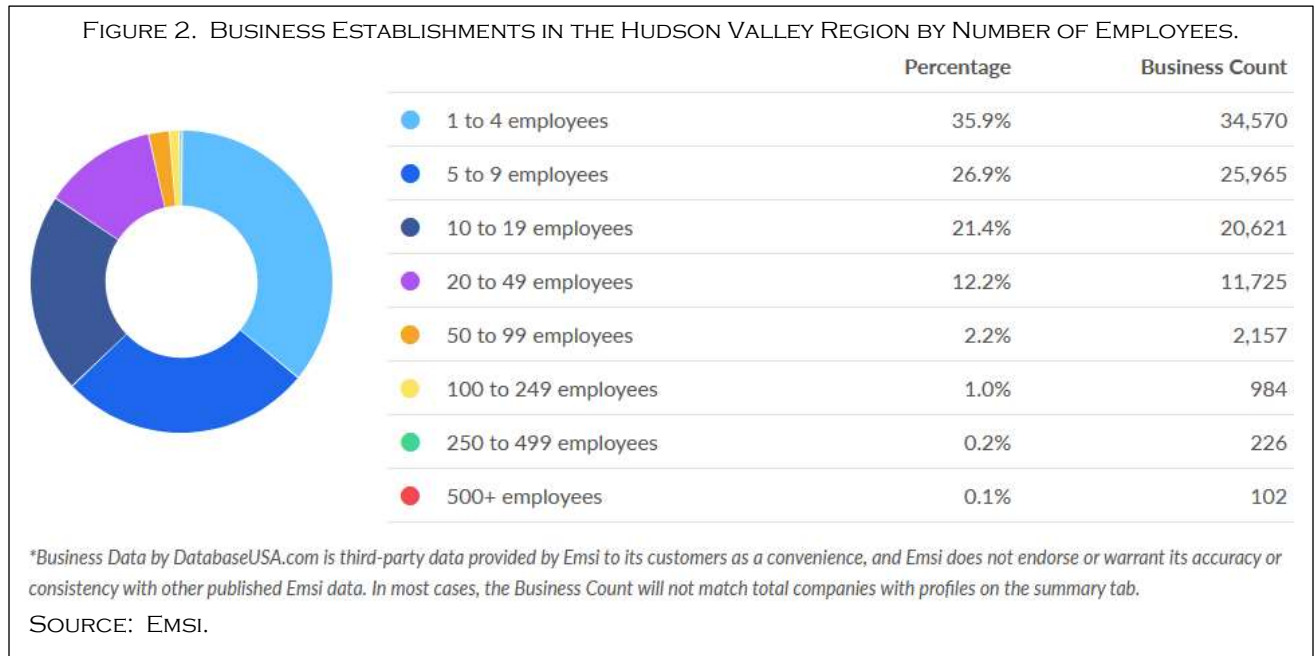
A proxy for the impact on the Hudson Valley’s retail and tourism sectors can be seen in Figure 1, which shows the trend in sales tax collections in the counties since 2017. The precipitous drop in sales tax collections beginning the second quarter of 2020 is testimony to the pandemic’s impact. While much of that was made up in subsequent months, as of August, collections were still down 2.4 percent from the previous August. This modest decline in the heels of a dramatic drop spells trouble, particularly for smaller businesses that do not have the reserves to weather such unprecedented adversity.



² Margaux Constantin, Steve Saxon, and Jackey Yu, “Reimagining the \$9 trillion tourism economy—what will it take?” McKinsey & Company, August 5, 2020.

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Indeed, a recent survey by the online small business referral network Alignable found that one half of the small retailers they surveyed in November 2020 believed they were in imminent danger of failing.³ This could have a widespread effect in the Hudson Valley Region. Figure 2 illustrates this fact. According to data from Emsi, approximately 62 percent of the Region’s firms have fewer than 10 employees, with one third of all businesses having five or fewer employees. Developing a response to this situation must be a priority for this economic development strategy.



The Transformation of Warehousing and Distribution

This trend is almost the mirror image of the troubles faced by small retailers. The rise of on-line shopping during the pandemic has led to new approaches to warehousing and distribution in order to better serve changing consumer demand.

The humble shed can be as good an investment in the e-commerce era as shovels were in the gold rush. . . The future is likely to be ever closer to large urban or suburban areas as online retailers strive to shorten delivery times. . . New warehousing might combine storage with light manufacturing, creative industries, a gym & coffee shop—re-using an abandoned shopping mall.⁴

In previous times, the most efficient system for warehousing and distribution involved extremely large warehouse facilities to gain economies of scale. In the Covid (and likely post-Covid) economy, that has given way to the creation of smaller warehouses located closer to markets to serve proliferating demand

³ Pamela N. Danziger, “Half Of Small Retailers May Be Forced Out Of Business With More Restrictions Threatening,” *Forbes*, December 7, 2020.

⁴ *Economist*, May 30, 2020.

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more quickly. The Hudson Valley's proximity to New York City makes it a potential candidate for these new types of facilities.

Convergence & Hybridization in Food & Retail

The changes in retail and distribution described above have contributed to another trend that is a potential opportunity for the Hudson Valley: accelerating convergence and hybridization in food and retail. As retailers seek to provide a reason for shoppers to patronize "bricks and mortar" stores, and restaurants seek ways to entice diners to return, establishments that used to be separate will be combined into a single enterprise. A recent report by the Brookings Institution describes it:

"Convergence and hybridization will accelerate in food retail. . . IKEA was already a furniture showroom, warehouse, and restaurant. High-end grocers were encouraging shoppers to have a beer. Restaurants were increasingly not just dine-in, but fast-casual or mobile food trucks. . . . Americans will return to eating much of their food prepared outside the home. In 2017, jobs in leisure and hospitality (which includes all bars and restaurants) grew to outnumber jobs in retail trade. The pandemic is a setback, but not a reset."⁵ This trend could be an important opportunity for communities in the Hudson Valley, with their well-established successful commercial core districts combined with the presence of a strong agriculture and food sector in the Region.

The Rise of the Remote Worker & "Space as a Service"

The pandemic has also accelerated changes in the way office space is used in business. This raises problems and opportunities for Region's economy. One aspect of this is the rise of remote working as a permanent feature of business. This began out of a need to isolate and socially distance during the pandemic, but firms and employees soon became convinced of the potential long-term advantages of this arrangement. A whitepaper by the consulting firm Gartner describes the result:

A recent Gartner poll showed that 48% of employees will likely work remotely at least part of the time after COVID-19 versus 30% before the pandemic, as organizations shift to more remote work operations, explore the critical competencies employees will need to collaborate digitally, and be prepared to adjust employee experience strategies. Consider whether and how to shift performance goal-setting and employee evaluations for a remote context.⁶

As workers discovered the possibilities of remote work, many have sought to relocate to smaller, less densely populated areas as a means to avoid contracting Covid-19. This could be a potential source of new residents and workers for the Hudson Valley Region. At the same time, the rise of remote work has also given rise to a re-thinking of how to use office space itself. If workers are no longer bound to a particular office as part of their job, companies have been reconsidering how they use space to get their work done. A recent University of Oxford study described what this will look like:

⁵ Brookings Institution, *The ABCs of the post-COVID economic recovery*, May 2020.

⁶ Mary Baker, "9 Future of Work Trends Post-COVID-19," *Smarter with Gartner*, June 8, 2020.

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Offices will no longer just be places to come to work every day, but will become collaborative/creative spaces, perhaps visited twice a week. Consequently, companies might choose to have more local, suburban and smaller offices, closer to where people live, in order to reduce commutes – a multi-site or dual-hub solution.⁷

The key here is that companies are not limited to a single option in terms of how they organize their places of work. A recent whitepaper by McKinsey described the changes taking place:

In any case, the coming transformation will use a portfolio of space solutions: owned space, standard leases, flexible leases, flex space, co-working space, and remote work. Before the crisis, flexible space solutions held about 3 percent of the US office market. Their share had been growing at 25 percent annually for the past five years, so flexibility was already in the works. McKinsey research indicates that office-space decision makers expect the percentage of time worked in main and satellite offices to decline by 12 and 9 percent, respectively, while flex office space will hold approximately constant and work from home will increase to 27 percent of work time, from 20 percent.⁸

[How Covid-19 Has Affected Economic Activity in the Hudson Valley](#)

While it is essential to understand the extent and nature of Covid-19's impact on the Hudson Valley economy, it is also difficult to gain detailed understanding give the lack of timely data on employment, wages, etc. For example, as of the writing of this report, the most recent data available from the US Labor Department's Quarterly Census of Employment and Wages was for the second quarter of 2020, which marks just the beginning of the pandemic. Thus, there are limits to what can be understood in terms of how the pandemic has affected various sectors and localities on the region.

Fortunately, the New York State Department of Labor has made every effort to provide preliminary summary data on employment trends in the US, New York State and its constituent regions, including the Hudson Valley. The following pages will review what can be learned from the limited data that are available. As part of understanding these trends, this analysis will also examine trends in sales tax collections in the Hudson Valley. The New York State Department of Taxation and Finance provides data on taxable sales and purchases broken out by the various industries making the sales. While this is not the equivalent of employment data, it does provide some relative indication of which sectors have been hardest hit by Covid-19 and which have been spared the worst effects.

Finally, the analysis will conclude with an assessment of trends in remote working in the Hudson Valley, using an analysis of recent job postings to gauge the presence of remote working in the region. This is

⁷ Richard Darby and Tom Darby, *The post-pandemic future for city centre office space*, University of Oxford, July 6, 2020.

⁸ Brodie Boland, Aaron De Smet, Rob Palter, and Aditya Sanghvi, *Reimagining the office and work life after COVID-19: Changing attitudes on the role of the office*. McKinsey & Company, June 8, 2020.

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accompanied by an analysis of recent single-family home sales in the Region to provide a preliminary indication of the extent to which each County is seeing an influx of remote workers.

Employment Trends

While detailed data on employment is not yet publicly available, special tabulations of employment data by the New York State Department of Labor provides insight into how the pandemic and its associated economic impact has affected employment in the US, New York State and the Hudson Valley Region.

National Trends: Table 1 shows the impact of Covid-19 on the US economy. From December 2019 to December 2020, total nonfarm employment in the US dropped by six percent, with a drop of 6.1 percent in private employment. Note that Table 1 indicates any modest recovery was stalling, with total private sector employment falling 0.1 percent from November to December of 2020. As would be expected, given the analysis above, Leisure & Hospitality employment in the US experienced the largest drop over the past year, falling by 22.7 percent from December 2019 to December 2020. Again, a modest recovery eluded that sector, with a 3.9 percent decline in the sector from December 2019 to December 2020.

Table 1 does indicate that only a few sectors (natural resources & mining, manufacturing, trade, financial activities and professional services) have shown modest increases in the past month. This reinforces the concept that any recovery is in danger from the intensifying spread of Covid-19, as evidenced by the recent release of jobs data from the US Bureau of Labor Statistics, indicating that total nonfarm payroll employment declined by 140,000 in December 2020.⁹

Table 1. Covered, Nonfarm Employment, December 2020, November 2020, December 2019, United States							
Category	Dec 2020	Nov 2020	Dec 2019	Net Month	% Month	Net Year	% Year
Total Nonfarm	143,777,000	144,105,000	152,934,000	-328,000	-0.2%	-9,157,000	-6.0%
Total Private	122,027,000	122,162,000	129,919,000	-135,000	-0.1%	-7,892,000	-6.1%
Goods-producing	20,283,000	20,320,000	21,034,000	-37,000	-0.2%	-751,000	-3.6%
Natural Resources and Mining	630,000	629,000	713,000	1,000	0.2%	-83,000	-11.6%
Construction	7,322,000	7,425,000	7,447,000	-103,000	-1.4%	-125,000	-1.7%
Manufacturing	12,331,000	12,266,000	12,874,000	65,000	0.5%	-543,000	-4.2%
Service-Providing	123,494,000	123,785,000	131,900,000	-291,000	-0.2%	-8,406,000	-6.4%
Private Service-Providing	101,744,000	101,842,000	108,885,000	-98,000	-0.1%	-7,141,000	-6.6%
Trade, Transportation and Utilities	27,896,000	27,410,000	28,584,000	486,000	1.8%	-688,000	-2.4%
Information	2,640,000	2,642,000	2,897,000	-2,000	-0.1%	-257,000	-8.9%
Financial Activities	8,758,000	8,737,000	8,820,000	21,000	0.2%	-62,000	-0.7%
Professional and Business Services	20,800,000	20,748,000	21,597,000	52,000	0.3%	-797,000	-3.7%
Education and Health Services	23,470,000	23,581,000	24,630,000	-111,000	-0.5%	-1,160,000	-4.7%
Leisure and Hospitality	12,712,000	13,225,000	16,455,000	-513,000	-3.9%	-3,743,000	-22.7%
Accommodation and Food Services	11,127,700	11,549,000	14,146,200	-421,300	-3.6%	-3,018,500	-21.3%
Food Services and Drinking Places	9,768,800	10,161,500	12,113,500	-392,700	-3.9%	-2,344,700	-19.4%

Source: NYS Department of Labor.

New York State Trends: As seen in Table 2, New York State has experienced trends similar to the US with even more dramatic declines. Overall employment dropped by 10.3 percent from December 2019 to December 2020, with a 11.5 percent decline in private employment. Note also that, among the private

⁹ US Bureau of Labor Statistics, Employment Situation Summary, January 8, 2021.

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sectors, only Manufacturing, Trade, Information (e.g., media), and Financial Activities experienced any growth in jobs. As with the US economy, Leisure and Hospitality was hit the hardest, showing a decline of 38.9 percent, including a 6.9 percent drop in jobs from November to December 2020.

Table 2. Covered, Nonfarm Employment, December 2020, November 2020, December 2019, New York State							
Category	Dec 2020	Nov 2020	Dec 2019	Net Month	% Month	Net Year	% Year
Total Nonfarm	8,873,700	8,931,800	9,892,100	-58,100	-0.7%	-1,018,400	-10.3%
Total Private	7,417,300	7,458,600	8,383,300	-41,300	-0.6%	-966,000	-11.5%
Goods-producing	774,100	778,700	835,200	-4,600	-0.6%	-61,100	-7.3%
Natural Resources and Mining	4,500	4,700	5,100	-200	-4.3%	-600	-11.8%
Construction	370,500	379,100	392,900	-8,600	-2.3%	-22,400	-5.7%
Manufacturing	399,100	394,900	437,200	4,200	1.1%	-38,100	-8.7%
Service-Providing	8,099,600	8,153,100	9,056,900	-53,500	-0.7%	-957,300	-10.6%
Private Service-Providing	6,643,200	6,679,900	7,548,100	-36,700	-0.5%	-904,900	-12.0%
Trade, Transportation and Utilities	1,451,800	1,426,600	1,593,700	25,200	1.8%	-141,900	-8.9%
Information	272,700	272,500	278,700	200	0.1%	-6,000	-2.2%
Financial Activities	691,200	688,500	728,400	2,700	0.4%	-37,200	-5.1%
Professional and Business Services	1,248,900	1,252,800	1,390,700	-3,900	-0.3%	-141,800	-10.2%
Education and Health Services	2,039,100	2,056,900	2,196,700	-17,800	-0.9%	-157,600	-7.2%
Leisure and Hospitality	575,900	618,500	942,500	-42,600	-6.9%	-366,600	-38.9%
Other Services	363,600	364,100	417,400	-500	-0.1%	-53,800	-12.9%
Government	1,456,400	1,473,200	1,508,800	-16,800	-1.1%	-52,400	-3.5%

Source: NYS Department of Labor.

Hudson Valley Trends: Table 3 summarizes the employment trends in the Hudson Valley, showing overall declines that are greater than the US experienced, but not as dramatic as the declines seen in New York State as a whole. Overall nonfarm employment dropped 8.4 percent from December 2019 to December 2020. Private employment fell by 9.2 percent. Similar to New York State, the Hudson Valley Region saw a dramatic drop in Leisure and Hospitality employment (-36.2 percent). The declines were virtually universal in 2020, with only Natural Resources & Mining holding steady with a 0.2 percent increase. On a month-to-month basis, only Manufacturing, Trade and Information show slight increases from November to December 2020, which indicates the hold the pandemic still had on the region.

Table 3. Covered, Nonfarm Employment, October 2020, November 2020, December 2019, Hudson Valley Region							
Category	Dec 2020	Nov 2020	Dec 2019	Net Month	% Month	Net Year	% Year
Total Nonfarm	891,300	899,400	972,900	-8,100	-0.9%	-81,600	-8.4%
Total Private	741,700	747,000	816,500	-5,300	-0.7%	-74,800	-9.2%
Goods-producing	94,500	95,200	98,100	-700	-0.7%	-3,600	-3.7%
Natural Resources, Mining and Construction	54,800	55,900	54,700	-1,100	-2.0%	100	0.2%
Manufacturing	39,700	39,300	43,400	400	1.0%	-3,700	-8.5%
Service-Providing	796,800	804,200	874,800	-7,400	-0.9%	-78,000	-8.9%
Private Service-Providing	647,200	651,800	718,400	-4,600	-0.7%	-71,200	-9.9%
Trade, Transportation and Utilities	178,100	173,900	185,700	4,200	2.4%	-7,600	-4.1%
Information	14,600	14,500	14,800	100	0.7%	-200	-1.4%
Financial Activities	43,000	43,400	46,300	-400	-0.9%	-3,300	-7.1%
Professional and Business Services	106,400	107,500	115,200	-1,100	-1.0%	-8,800	-7.6%

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Table 3. Covered, Nonfarm Employment, October 2020, November 2020, December 2019, Hudson Valley Region							
Category	Dec 2020	Nov 2020	Dec 2019	Net Month	% Month	Net Year	% Year
Education and Health Services	212,600	216,200	223,500	-3,600	-1.7%	-10,900	-4.9%
Leisure and Hospitality	57,900	61,400	90,800	-3,500	-5.7%	-32,900	-36.2%
Other Services	34,600	34,900	42,100	-300	-0.9%	-7,500	-17.8%
Government	149,600	152,400	156,400	-2,800	-1.8%	-6,800	-4.3%

Source: NYS Department of Labor

Tables 4 through 7 provide employment trends within areas in the Hudson Valley region. For example, Table 4 provides a summary of employment trends for the Dutchess/Putnam Metropolitan Statistical Area (MSA). Job losses are similar to what has been experienced by the Region as a whole, with declines in total, nonfarm employment of 9.6 percent from December 2019 to December 2020, and a drop of 10 percent in private employment over that same time period. Similar to national, statewide, and regional trends, the largest drop in the Dutchess/Putnam MSA was in the Leisure and Hospitality sector, with a drop of 32.4 percent being smaller than what was experienced within the US, State, and Region, but a significant decline nonetheless.

Table 4. Covered, Nonfarm Employment, December 2020, November 2020, December 2019, Dutchess/Putnam MSA							
Category	Dec 2020	Nov 2020	Dec 2019	Net Month	% Month	Net Year	% Year
Total Nonfarm	136,600	137,900	151,100	-1,300	-0.9%	-14,500	-9.6%
Total Private	112,200	113,100	124,600	-900	-0.8%	-12,400	-10.0%
Goods-producing	18,300	18,300	17,700	0	0.0%	600	3.4%
Natural Resources, Mining and Construction	10,000	10,100	8,700	-100	-1.0%	1,300	14.9%
Manufacturing	8,300	8,200	9,000	100	1.2%	-700	-7.8%
Service-Providing	118,300	119,600	133,400	-1,300	-1.1%	-15,100	-11.3%
Private Service-Providing	93,900	94,800	106,900	-900	-0.9%	-13,000	-12.2%
Trade, Transportation and Utilities	24,000	23,500	25,500	500	2.1%	-1,500	-5.9%
Wholesale Trade	3,000	3,000	3,200	0	0.0%	-200	-6.3%
Retail Trade	16,800	16,500	17,600	300	1.8%	-800	-4.5%
Transportation, Warehousing and Utilities	4,200	4,000	4,700	200	5.0%	-500	-10.6%
Information	1,900	1,900	1,900	0	0.0%	0	0.0%
Financial Activities	4,900	4,900	5,100	0	0.0%	-200	-3.9%
Professional and Business Services	11,800	11,700	13,200	100	0.9%	-1,400	-10.6%
Education and Health Services	35,500	36,200	39,900	-700	-1.9%	-4,400	-11.0%
Educational Services	12,000	12,700	14,900	-700	-5.5%	-2,900	-19.5%
Health Care and Social Assistance	23,500	23,500	25,000	0	0.0%	-1,500	-6.0%
Leisure and Hospitality	9,800	10,600	14,500	-800	-7.5%	-4,700	-32.4%
Other Services	6,000	6,000	6,800	0	0.0%	-800	-11.8%
Government	24,400	24,800	26,500	-400	-1.6%	-2,100	-7.9%
Federal Government	1,500	1,500	1,500	0	0.0%	0	0.0%
State Government	5,600	5,700	5,800	-100	-1.8%	-200	-3.4%
Local Government	17,300	17,600	19,200	-300	-1.7%	-1,900	-9.9%
Local Government Education	10,900	11,200	12,400	-300	-2.7%	-1,500	-12.1%

Source: NYS Department of Labor

Table 5 summarizes employment for the Orange/Rockland/Westchester MSA. Again, the trends at this level match national, State and Regional trends. Note that Leisure and Hospitality employment declined

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by 42.6 percent from December 2019 to December 2020, with this decline continuing between November and December 2020.

Table 5. Covered, Nonfarm Employment, December 2020, November 2020, December 2019, Orange/Rockland/Westchester MSA							
Category	Dec 2020	Nov 2020	Dec 2019	Net Month	% Month	Net Year	% Year
Total Nonfarm	667,400	673,400	729,300	-6,000	-0.9%	-61,900	-8.5%
Total Private	562,300	566,300	620,300	-4,000	-0.7%	-58,000	-9.4%
Goods-producing	67,300	67,900	71,000	-600	-0.9%	-3,700	-5.2%
Natural Resources, Mining and Construction	40,700	41,600	41,700	-900	-2.2%	-1,000	-2.4%
Specialty Trade Contractors	25,900	26,600	28,200	-700	-2.6%	-2,300	-8.2%
Manufacturing	26,600	26,300	29,300	300	1.1%	-2,700	-9.2%
Chemical Manufacturing	4,000	4,000	4,100	0	0.0%	-100	-2.4%
Service-Providing	600,100	605,500	658,300	-5,400	-0.9%	-58,200	-8.8%
Private Service-Providing	495,000	498,400	549,300	-3,400	-0.7%	-54,300	-9.9%
Trade, Transportation and Utilities	137,700	134,300	143,300	3,400	2.5%	-5,600	-3.9%
Wholesale Trade	25,000	24,500	27,500	500	2.0%	-2,500	-9.1%
Merchant Wholesalers, Durable Goods	12,400	12,300	13,500	100	0.8%	-1,100	-8.1%
Retail Trade	87,000	84,500	87,400	2,500	3.0%	-400	-0.5%
Food and Beverage Stores	19,600	19,300	20,000	300	1.6%	-400	-2.0%
Grocery Stores	16,700	16,300	16,800	400	2.5%	-100	-0.6%
Health and Personal Care Stores	6,600	6,500	6,800	100	1.5%	-200	-2.9%
Clothing and Clothing Accessories Stores	8,600	8,300	11,400	300	3.6%	-2,800	-24.6%
General Merchandise Stores	14,300	13,700	13,600	600	4.4%	700	5.1%
Transportation, Warehousing and Utilities	25,700	25,300	28,400	400	1.6%	-2,700	-9.5%
Utilities	4,000	4,000	4,300	0	0.0%	-300	-7.0%
Transportation and Warehousing	21,700	21,300	24,100	400	1.9%	-2,400	-10.0%
Information	11,700	11,700	11,900	0	0.0%	-200	-1.7%
Telecommunications	3,200	3,300	3,500	-100	-3.0%	-300	-8.6%
Financial Activities	35,000	35,400	38,000	-400	-1.1%	-3,000	-7.9%
Finance and Insurance	21,800	22,100	23,800	-300	-1.4%	-2,000	-8.4%
Credit Intermediation and Related Activities	8,800	8,900	9,000	-100	-1.1%	-200	-2.2%
Depository Credit Intermediation	4,900	4,900	5,100	0	0.0%	-200	-3.9%
Insurance Carriers and Related Activities	10,000	10,100	10,300	-100	-1.0%	-300	-2.9%
Real Estate and Rental and Leasing	13,200	13,300	14,200	-100	-0.8%	-1,000	-7.0%
Professional and Business Services	88,800	90,000	95,800	-1,200	-1.3%	-7,000	-7.3%
Professional, Scientific, and Technical Services	39,900	40,000	41,700	-100	-0.3%	-1,800	-4.3%
Management of Companies and Enterprises	10,500	10,500	11,100	0	0.0%	-600	-5.4%
Administrative and Support and Waste Management and Remediation Services	38,400	39,500	43,000	-1,100	-2.8%	-4,600	-10.7%
Administrative and Support Services	37,000	38,100	40,800	-1,100	-2.9%	-3,800	-9.3%
Employment Services	8,400	8,300	10,600	100	1.2%	-2,200	-20.8%
Education and Health Services	159,800	162,700	165,000	-2,900	-1.8%	-5,200	-3.2%
Educational Services	31,400	33,200	34,600	-1,800	-5.4%	-3,200	-9.2%
Health Care and Social Assistance	128,400	129,500	130,400	-1,100	-0.8%	-2,000	-1.5%
Ambulatory Health Care Services	46,600	48,400	48,000	-1,800	-3.7%	-1,400	-2.9%
Hospitals	28,200	28,000	28,900	200	0.7%	-700	-2.4%

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Table 5. Covered, Nonfarm Employment, December 2020, November 2020, December 2019, Orange/Rockland/Westchester MSA

Category	Dec 2020	Nov 2020	Dec 2019	Net Month	% Month	Net Year	% Year
General Medical and Surgical Hospitals	25,200	25,000	25,700	200	0.8%	-500	-1.9%
Social Assistance	26,300	26,200	29,200	100	0.4%	-2,900	-9.9%
Leisure and Hospitality	36,700	38,800	63,900	-2,100	-5.4%	-27,200	-42.6%
Accommodation and Food Services	28,500	30,300	49,500	-1,800	-5.9%	-21,000	-42.4%
Food Services and Drinking Places	27,600	29,400	46,300	-1,800	-6.1%	-18,700	-40.4%
Full-Service Restaurants	11,800	13,300	22,500	-1,500	-11.3%	-10,700	-47.6%
Other Services	25,300	25,500	31,400	-200	-0.8%	-6,100	-19.4%
Government	105,100	107,100	109,000	-2,000	-1.9%	-3,900	-3.6%
Federal Government	9,300	9,200	9,400	100	1.1%	-100	-1.1%
State Government	15,000	15,300	15,300	-300	-2.0%	-300	-2.0%
Local Government	80,800	82,600	84,300	-1,800	-2.2%	-3,500	-4.2%
Local Government Education	49,300	49,500	51,300	-200	-0.4%	-2,000	-3.9%

Source: NYS Department of Labor.

Table 6 shows the situation in Sullivan County, where the declines were more modest than the other areas. Total nonfarm employment fell by 6.8 percent from December 2019 to December 2020, while private sector jobs declined by 8.2 percent. The trends in Sullivan also show stagnation or decline in employment has continued from November to December 2020, with the biggest ongoing declines in Natural Resources, Mining & Construction (down by 8.3 percent) and Other Services (-11.1 percent). As in all of the other areas examined, the sector with the steepest decline is Leisure and Hospitality, with a relatively modest drop of 19 percent.

Table 6. Covered, Nonfarm Employment, December 2020, November 2020, December 2019, Sullivan County

Category	Dec 2020	Nov 2020	Dec 2019	Net Month	% Month	Net Year	% Year
Total Nonfarm	27,400	27,900	29,400	-500	-1.8%	-2,000	-6.8%
Total Private	21,200	21,500	23,100	-300	-1.4%	-1,900	-8.2%
Goods-Producing	2,700	2,800	2,900	-100	-3.6%	-200	-6.9%
Natural Resources, Mining and Construction	1,100	1,200	1,200	-100	-8.3%	-100	-8.3%
Manufacturing	1,600	1,600	1,700	0	0.0%	-100	-5.9%
Service-Providing	24,700	25,100	26,500	-400	-1.6%	-1,800	-6.8%
Private Service-Providing	18,500	18,700	20,200	-200	-1.1%	-1,700	-8.4%
Trade, Transportation and Utilities	4,200	4,200	4,500	0	0.0%	-300	-6.7%
Information	100	100	100	0	0.0%	0	0.0%
Financial Activities	800	800	800	0	0.0%	0	0.0%
Professional and Business Services	1,700	1,700	1,800	0	0.0%	-100	-5.6%
Education and Health Services	7,500	7,500	7,900	0	0.0%	-400	-5.1%
Leisure and Hospitality	3,400	3,500	4,200	-100	-2.9%	-800	-19.0%
Other Services	800	900	900	-100	-11.1%	-100	-11.1%
Government	6,200	6,400	6,300	-200	-3.1%	-100	-1.6%

Source: NYS Department of Labor.

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As Table 7 shows, the area with the most modest declines may be Ulster County (aka, the Kingston MSA). Overall, the County saw total nonfarm employment fall by 5.1 percent from December 2019 to December 2020, and private employment drop by 5.2 percent. The only private sector to lose more than 10 percent in employment was Other Services (16.7 percent). Note also that, according to the NYS Labor Department data, Ulster County experienced only a 2.4 percent decline in Leisure & Hospitality employment from November 2019 to November 2020.

Table 7. Covered, Nonfarm Employment, December 2020, November 2020, December 2019, Kingston MSA (Ulster County)							
Category	Dec 2020	Nov 2020	Dec 2019	Net Month	% Month	Net Year	% Year
Total Nonfarm	59,900	60,200	63,100	-300	-0.5%	-3,200	-5.1%
Total Private	46,000	46,100	48,500	-100	-0.2%	-2,500	-5.2%
Goods-producing	6,200	6,200	6,500	0	0.0%	-300	-4.6%
Natural Resources, Mining and Construction	3,000	3,000	3,100	0	0.0%	-100	-3.2%
Manufacturing	3,200	3,200	3,400	0	0.0%	-200	-5.9%
Service-Providing	53,700	54,000	56,600	-300	-0.6%	-2,900	-5.1%
Private Service-Providing	39,800	39,900	42,000	-100	-0.3%	-2,200	-5.2%
Trade, Transportation and Utilities	12,200	11,900	12,400	300	2.5%	-200	-1.6%
Wholesale Trade	1,500	1,500	1,600	0	0.0%	-100	-6.3%
Retail Trade	8,800	8,600	9,000	200	2.3%	-200	-2.2%
Transport, Warehousing & Utils.	1,900	1,800	1,800	100	5.6%	100	5.6%
Information	900	800	900	100	12.5%	0	0.0%
Financial Activities	2,300	2,300	2,400	0	0.0%	-100	-4.2%
Professional and Business Services	4,100	4,100	4,400	0	0.0%	-300	-6.8%
Education and Health Services	9,800	9,800	10,700	0	0.0%	-900	-8.4%
Leisure and Hospitality	8,000	8,500	8,200	-500	-5.9%	-200	-2.4%
Other Services	2,500	2,500	3,000	0	0.0%	-500	-16.7%
Government	13,900	14,100	14,600	-200	-1.4%	-700	-4.8%
Federal Government	400	400	400	0	0.0%	0	0.0%
State Government	5,300	5,300	5,000	0	0.0%	300	6.0%
Local Government	8,200	8,400	9,200	-200	-2.4%	-1,000	-10.9%
Local Government Education	4,900	5,000	5,600	-100	-2.0%	-700	-12.5%

Source: NYS Department of Labor.

Trends in Taxable Sales

One way to corroborate the preliminary employment data provided by the NYS Department of Labor is to examine trends in taxable sales as a proxy for economic activity. The State Department of Taxation and Finance reports taxable sales for each sector in the economy. Consequently, the trends in sales by sector provides some insights into the condition of local economies. This data is summarized in Table 8, which shows the percent change in taxable sales by sector from August 2019 to August 2020 for the counties of the Hudson Valley region, New York State, and New York City. In almost every sector, the trends are consistent with what is seen in employment changes.

The data show that the deepest declines in overall sales within the Hudson Valley was in Westchester County, with a 3.8 percent drop. Note that the declines were much more severe for the State (-9.1 percent) and New York City (-23 percent). It is worth noting that, for all counties, the State and New York City, taxable sales by manufacturers increased over this time period, suggesting that, despite drops in

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employment, many manufacturers were still able to maintain some positive momentum. On the other hand, many sectors have shown steep drops, including Transportation & Warehousing, Professional Services, Administrative Support & Waste Management and, as would be expected, Arts & Entertainment and Accommodation and Food Services.

Table 8. Percent Change in Taxable Sales & Purchases, August 2019 to August 2020.

NAICS Code	Row Labels	DUTCHESS	ORANGE	PUTNAM	ROCKLAND	SULLIVAN	ULSTER	WESTCHESTER	NY STATE	NY CITY
	Grand Total	0.4%	-6.7%	5.5%	2.6%	-2.6%	1.2%	-3.8%	-9.1%	-23.0%
11	Ag. Forest.	5.4%	30.1%	7.1%	12.7%	-35.3%	1.9%	10.9%	9.2%	-20.2%
21	Mining	-12.7%	14.4%	3.1%	-17.1%	10.2%	38.3%	24.1%	14.7%	180.6%
22	Utilities	23.0%	-8.0%	15.0%	-4.1%	22.9%	-10.1%	6.3%	-4.9%	-4.5%
23	Constr.	6.6%	-16.6%	-13.5%	-5.8%	17.5%	-13.3%	-13.2%	-12.9%	-18.9%
31-33	Mfg.	46.2%	15.5%	11.8%	-6.5%	21.4%	31.9%	11.7%	25.9%	46.1%
42	Wholesale	0.9%	-5.1%	3.2%	48.2%	-16.0%	-0.5%	2.4%	-5.0%	-17.5%
44-45	Retail	8.0%	-2.4%	14.0%	10.1%	12.3%	13.2%	5.6%	8.2%	-4.6%
48-49	Trans/Warehsg.	-9.1%	-6.6%	-19.1%	-31.3%	-26.4%	10.3%	-48.8%	-46.6%	-52.2%
51	Info.	-9.7%	-0.4%	5.1%	-1.2%	12.3%	10.3%	15.1%	6.1%	6.8%
52	Fin & Ins.	-5.9%	-6.7%	-27.1%	51.8%	-7.8%	-7.6%	1.9%	5.4%	5.8%
53	Real Estate	3.3%	-16.1%	93.7%	-0.8%	-14.4%	8.7%	-13.8%	-16.9%	-25.9%
54	Prof.Svcs.	6.5%	-0.1%	-15.1%	80.9%	19.0%	-2.2%	-23.1%	-6.0%	-6.4%
55	Mgt.	17.2%	36.5%	70.6%	-68.3%	468.6%	-15.1%	4.7%	-29.9%	-28.1%
56	Admin Support/Waste Mgt	-39.0%	-44.4%	-45.3%	-33.9%	-58.0%	-44.9%	-32.5%	-44.4%	-52.0%
61	Educ.	-90.1%	-26.4%	9.4%	-34.8%	-45.2%	-62.2%	-25.2%	-40.8%	-40.5%
62	Healthcare	-41.6%	-12.9%	27.8%	43.7%	97.5%	-27.0%	-5.9%	-20.0%	-23.2%
71	Arts/Ent.	-42.6%	-46.6%	-49.6%	-19.1%	-3.3%	-16.9%	-29.9%	-53.7%	-90.5%
72	Accommodation & Food Svcs.	-25.5%	-26.6%	-14.7%	-30.5%	-50.2%	-27.6%	-32.8%	-51.3%	-70.1%
81	Other Svcs.	-10.8%	-5.2%	-16.7%	-12.7%	2.7%	-1.8%	-19.9%	-15.1%	-38.5%
92	Pub Admin	15.0%	1.4%	10.3%	-5.6%	4.3%	-6.2%	0.3%	18.2%	20.3%
99	NEC	44.2%	53.3%	136.1%	198.3%	95.9%	119.5%	93.4%	64.9%	51.6%

Source: compiled by Fairweather Consulting using data from the NYS Department of Taxation and Finance.

Remote Workers in the Hudson Valley

The emergence of remote workers has been identified as one of the trends accelerated by the Covid-19 pandemic. This section attempts to better understand how that trend is playing out in the Hudson Valley Region. This is done through an analysis of job postings for remote workers in the Region and New York County using data supplied by Emsi's Jobs Postings Analytics Service. This service compiles job postings by geographic area, recording the skills and other qualifications for those postings. Using this data, it is possible to estimate the growth in demand for jobs with particular characteristics, in this case, jobs that involve remote work.

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The analysis began by identifying a sampling of occupations that are likely to be adaptable to remote work situations. Table 9 shows the occupations that were included in this analysis to trace the changes in postings requiring remote work.

Table 9. Occupations included in the Analysis of Job Postings for Remote Workers.	
SOC Code	Occupational Title
15-1200	Computer Occupations
15-2000	Mathematical Science Occupations
17-2000	Engineers
17-3000	Drafters, Engineering Technicians, and Mapping Technicians
19-1000	Life Scientists
19-2000	Physical Scientists
19-3000	Social Scientists and Related Workers
19-4000	Life, Physical, and Social Science Technicians
13-1000	Business Operations Specialists
13-2000	Financial Specialists
23-2000	Legal Support Workers
27-3000	Media and Communication Workers
11-2000	Advertising, Marketing, Promotions, Public Relations, and Sales Managers
11-3000	Operations Specialties Managers
11-9000	Other Management Occupations
17-1000	Architects, Surveyors, and Cartographers
19-5000	Occupational Health and Safety Specialists and Technicians
23-1000	Lawyers, Judges, and Related Workers
27-1000	Art and Design Workers
29-1000	Healthcare Diagnosing or Treating Practitioners
29-2000	Health Technologists and Technicians
Source: Emsi	

Figure 3 shows the month-to-month change in positions requiring remote work for jobs posted by employers in the Hudson Valley and New York County (Manhattan). Note the sharp upward trend in postings for remote work positions beginning in the first quarter of 2020. The data in Figure 3 have two important implications for the Hudson Valley Region. First, it indicates that employers in the Region are expanding the number of positions in the Region that will allow for remote work. Second, but just as significant for the Region is the fact that employers in Manhattan have expanded the postings that allow for remote work. This could be an important source of employment for Hudson Valley residents, while also providing an indication that workers from the New York City area are increasingly able to relocate to the Region while maintaining employment with a New York City-based enterprise—a potentially important source for growth in jobs, population and income for the Hudson Valley.

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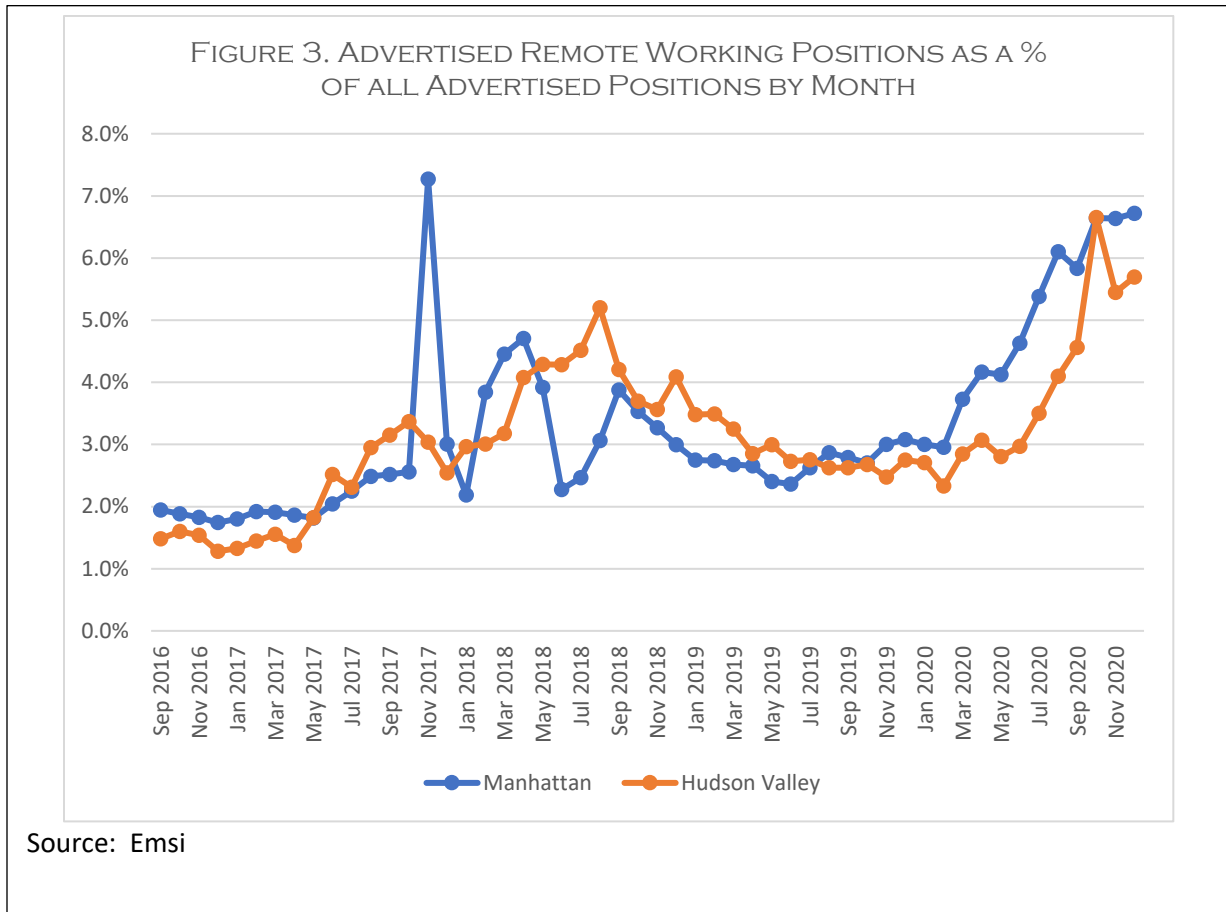
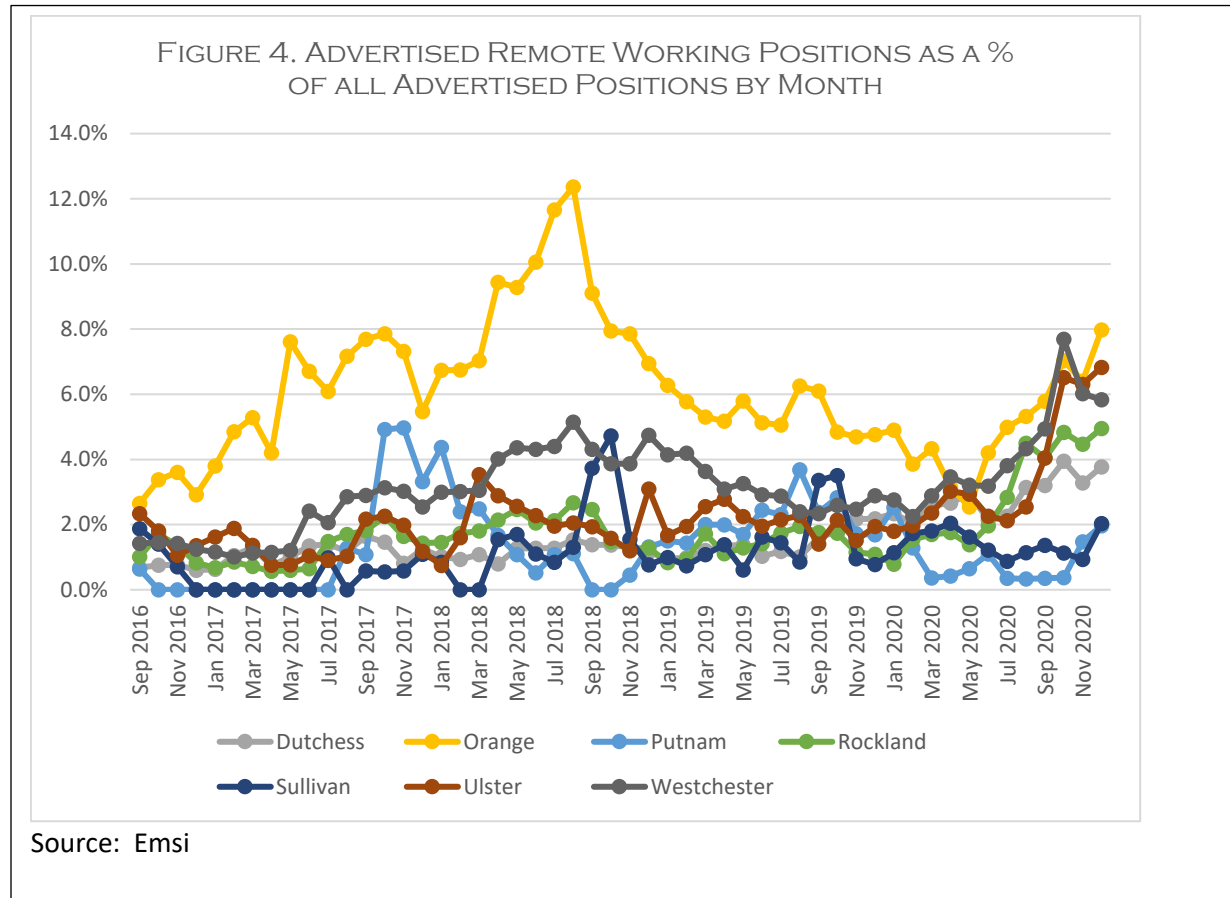


Figure 4 shows the trends in job postings for remote work for each of the seven counties of the Hudson Valley. Note that Westchester, Orange and Ulster show the largest gains for remote positions during the Covid-19 pandemic. Dutchess and Rockland show more moderate increases, while Sullivan and Putnam counties have the slowest rise in postings for remote jobs. These differences may be related to two factors.

First, the dominant sectors in each of the counties have different abilities to support remote work. For example, the health care industry so important to Sullivan County may not require remote workers as much as professional services and technology industries in locations in Ulster, Dutchess, or Westchester counties. Second, the ability to support remote work may also be a function of the telecommunications infrastructure available to employers. This may be the case for sparsely populated counties like Sullivan or Putnam. Clearly this would require further investigation to corroborate. In any case, the data do indicate that there is a general increase in demand for remote workers in the Region, with some variation

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on a county-by-county basis. And it is also worth repeating: the growth in remote working positions in Manhattan could represent an important opportunity for the counties of the Hudson Valley.



Anecdotally, there are many accounts of home sales in the Hudson Valley being driven by affluent remote workers from New York City relocating to areas with lower population densities in the wake of the Covid-19 pandemic. Table 10 provides some additional insight into the dynamics of remote work in the Region. It shows sales of single-family homes in each of the Region’s counties as an indicator of the emergence of remote workers in each county. For the period from June to December 2019 to June to December 2020, the table shows the number of sales, median, average maximum and minimum price, and how each of those changed over that year-long period.

Table 10 has two noteworthy findings. First, in each county, the total sales in June to December 2020 was below total sales in June to December 2019. This contradicts the anecdotes of a boom in the local housing markets, but, upon reflection, should not be surprising. The data are comparing two very different economic situations. In 2019, the economy was continuing the steady growth begun in the previous decade. By 2020, the economy was in a Covid-induced tailspin. Therefore, the drop in sales should not be unexpected.

It is the second finding that reinforces the anecdotes about the rise in remote workers flocking to the Region. Note that in every county, despite the drop in number of sales, the median value of the houses

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sold increased dramatically, ranging from 8 percent in Dutchess County to over 20 percent in Ulster County. These rising prices in the face of declining sales indicates that the Region is seeing a growth in purchases of higher end homes and/or a bidding up of home prices. This is consistent with the situation of a housing market being influenced by an influx of upper-income home buyers, such as would occur if remote workers were relocating into the Hudson Valley.

Table 10. Prices for Arms-Length Sales of Single-Family Houses by County, June 1, 2019 to December 31, 2019 & June 1, 2020 to December 30, 2020

	Dutchess			Orange			Putnam			Rockland		
	Jun-Dec, 2019	Jun-Dec, 2020	% Change	Jun-Dec, 2019	Jun-Dec, 2020	% Change	Jun-Dec, 2019	Jun-Dec, 2020	% Change	Jun-Dec, 2019	Jun-Dec, 2020	% Change
# of Sales	1,887	890	-52.8%	2,552	1,121	-56.1%	659	350	-46.9%	1,586	552	-65.2%
Median	\$310,000	\$335,000	8.1%	\$284,730	\$315,000	10.6%	\$360,000	\$390,000	8.3%	\$450,000	\$505,000	12.2%
Mean	\$348,432	\$377,238	8.3%	\$302,117	\$335,447	11.0%	\$395,151	\$430,398	8.9%	\$479,291	\$542,273	13.1%
Maximum	\$5,371,400	\$2,850,000	-46.9%	\$1,860,000	\$2,100,000	12.9%	\$1,595,000	\$1,900,000	19.1%	\$6,600,000	\$6,300,000	-4.5%
Minimum	\$11	\$11	0.0%	\$13,000	\$290	-97.8%	\$56,500	\$35,000	-38.1%	\$100	\$6,600	6500.0%
	Sullivan			Ulster			Westchester					
	Jun-Dec, 2019	Jun-Dec, 2020	% Change	Jun-Dec, 2019	Jun-Dec, 2020	% Change	Jun-Dec, 2019	Jun-Dec, 2020	% Change			
# of Sales	611	218	-64.3%	1,151	1,083	-5.9%	4,381	3,427	-21.8%			
Median	\$156,000	\$182,000	16.7%	\$245,000	\$295,000	20.4%	\$649,990	\$760,000	16.9%			
Mean	\$190,093	\$203,976	7.3%	\$283,709	\$356,372	25.6%	\$830,679	\$961,388	15.7%			
Maximum	\$1,415,000	\$1,550,000	9.5%	\$2,095,000	\$2,200,000	5.0%	\$7,660,000	\$7,850,000	2.5%			
Minimum	\$100	\$10,000	9900.0%	\$100	\$28,000	27900.0%	\$100	\$100	0.0%			

Source: NYS Department of Taxation & Finance, Sales Web Database.

On the other hand, the data from the Multiple Listing Service presents a much more robust picture of the housing market in the region. According to that source, as shown in Table 11, closed housing sales grew in 2019 to 2020, with rates of closed sales increasing from a modest 4 percent in Westchester County, to a solid 6 percent in Orange and double digit growth in Dutchess, Putnam and Rockland, topped by a 34 percent increase in Ulster. In any event, it is clear that each county saw growth, with much of it focused in the higher end of the market.

Table 11. Change in Closed Sales 2019 to 2020	
County	% Change
Dutchess	10.6%
Orange	5.9%
Putnam	21.8%
Rockland	12.0%
Sullivan	24.5%
Ulster	33.7%
Westchester	4.4%

Source: One Key MLS, "Annual Report on the Hudson Gateway Housing Market," 2020.

Employment, Unemployment & Distress

This section summarizes employment, unemployment and distress in the Hudson Valley Region. As shown in Table 12, the 24-month average unemployment of the Hudson Valley is very similar to the United States as a whole at 6.40% and 6.43% respectively. However, the Hudson Valley is wealthier than the rest of the United States. Both money income per capita and personal income per capita are significantly higher in the Hudson Valley Region.

	Region	US	Threshold Calculations
24-month Average Unemployment Rate (BLS) period ending June 2021	6.40	6.43	-0.03
2019 Per Capita Money Income (5-year ACS)	\$45,817	\$34,103	134.35%
2019 Per Capita Personal Income (BEA)	\$80,962	\$56,490	143.32%

Source: US EDA

Table 13 displays employment data for the individual counties that make up the Hudson Valley Region. The 24-month average unemployment rate does not vary much, with all but one county falling between 6 and 7 percent unemployment. There is more variation in Per Capita Personal Income (PCPI). Sullivan County has both the highest 24-month average unemployment rate (6.84) and the lowest PCPI (\$48,753). Westchester County is an outlier on the highs end with a PCPI of \$113,477, which is slightly more than twice that of the United States. Westchester County also had the highest Per Capita Money Income (PCMI) as measured by the 2000 Census and the ACS (i.e., American Community Survey) 5-year rate.

Counties	24 Month Unemployment	Threshold Calculation	BEA Per Capita Personal Income	Threshold Calculation	Census Per Capita Money Income (2000)	Threshold Calculation	ACS 5-Year Per Capita Money Income	Threshold Calculation
Dutchess	6.03	-0.4	\$58,478	103.5	\$23,940	110.9	\$40,093	117.6
Orange	6.50	0.07	\$53,656	95	\$21,597	100	\$34,959	102.5
Putnam	5.94	-0.49	\$69,365	122.8	\$30,127	139.6	\$47,448	139.1
Rockland	6.21	-0.22	\$63,167	111.8	\$28,082	130.1	\$39,286	115.2
Sullivan	6.84	0.41	\$48,753	86.3	\$18,892	87.5	\$30,446	89.3
Ulster	6.30	-0.13	\$53,006	93.8	\$20,846	96.6	\$34,834	102.1
Westchester	6.56	0.13	\$113,477	200.9	\$36,726	170.1	\$57,049	167.3

Source: US EDA

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Industry Clusters & Major Employers

In the previous CEDS, industry clusters were identified using the analyses available from the US Cluster Mapping Project sponsored by EDA at the Harvard Business School (clustermapping.us) that has not been updated for several years. Based on that analysis of 2016 data, the 9 largest traded industry clusters (i.e., clusters that export most of their goods and services outside the Region) for the Hudson Valley Region were:

- Business Services
- Distribution & Electronic Commerce
- Education & Knowledge Creation
- Hospitality & Tourism
- Financial Services
- Marketing, Design & Publishing
- Information Technology & Analytical Instruments
- Insurance Services
- Food Processing & Manufacturing

According to EDA’s statsamerica.org database, in 2019, those clusters were largely unchanged, though there had been minor changes in the rankings as some cluster lost employment while other gained jobs. Table 14 has the 2019 data. This can be expected to change yet again once the pandemic subsides.

Industry Cluster	Employment	Average Wage
Business Services	36,563	\$124,798
Education and Knowledge Creation	29,022	\$60,286
Distribution and Electronic Commerce	28,142	\$79,562
Hospitality and Tourism	19,628	\$39,275
Marketing, Design, and Publishing	11,107	\$88,041
Financial Services	10,302	\$252,301
Information Technology and Analytical Instruments	8,996	\$178,976
Food Processing and Manufacturing	5,318	\$53,613
Insurance Services	5,236	\$144,310

Source: US EDA IBRC modeled estimates.

Employment by Significant Industry

Table 15 provides a listing of employment by significant industries for the Hudson Valley, as determined by the New York State Department of Labor. As shown in the table, overall employment recovery is strong, with the Region’s experiencing a 13 percent growth in jobs overall from first quarter 2020 to first quarter 2021. Some sectors lagged behind in employment growth, notably Computer & Electronic Product Manufacturing (down 3.6 percent), Insurance Carriers (down 500 jobs or 4.6 percent) as well as Nursing and Residential Care Facilities (down 4.9 percent—no doubt related to the pandemic). Others were particularly strong, including the nascent Beverage and Tobacco Product Manufacturing (up by 700 jobs for a 100 percent increase), Ambulatory Health Care Services (up 18 percent), and Accommodation up 51 percent or 2,500 jobs from 2020 to 2021.

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Table 15. Employment by Significant Industry, 2021.					
		Jobs		Net Change in Jobs	% Change in Jobs
		2020Q2*	2021Q2*		
NAICS	Total, all industries (all ownerships)	777,700	879,400	101,700	13.10%
236	Construction of buildings	10,300	12,300	2,000	19.40%
237	Heavy and civil engineering construction	4,000	4,600	600	15.00%
238	Specialty trade contractors	29,200	36,500	7,300	25.00%
311	Food manufacturing	6,700	7,500	800	11.90%
312	Beverage and tobacco product manufacturing	700	1,400	700	100.00%
325	Chemical manufacturing	3,800	4,100	300	7.90%
334	Computer and electronic product manufacturing	8,400	8,100	-300	-3.60%
484	Truck transportation	4,500	5,000	500	11.10%
492	Couriers and messengers	4,000	5,200	1,200	30.00%
493	Warehousing and storage	3,000	3,800	800	26.70%
518	Data processing, hosting and related services	2,300	2,300	-	0.00%
522	Credit intermediation and related activities	11,300	11,400	100	0.90%
524	Insurance carriers and related activities	10,900	10,400	-500	-4.60%
531	Real estate	13,000	13,100	100	0.80%
541	Professional, scientific, and technical services	43,100	45,000	1,900	4.40%
551	Management of companies and enterprises	12,000	12,400	400	3.30%
561	Administrative and support services	39,600	45,500	5,900	14.90%
611	Educational services	101,100	103,200	2,100	2.10%
621	Ambulatory health care services	52,500	62,100	9,600	18.30%
622	Hospitals	41,300	40,500	-800	-1.90%
623	Nursing and residential care facilities	38,500	36,600	-1,900	-4.90%
713	Amusements, gambling, and recreation	6,000	12,900	6,900	115.00%
721	Accommodation	4,900	7,400	2,500	51.00%

Source: NYS Department of Labor, Hudson Valley Significant Industries, 2021.

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The Special Case of Tourism

The tourism and hospitality and industries both suffered due to the Covid-19 pandemic. However, as shown in table 16, the Hudson Valley Region saw a smaller contraction of the industry than the rest of New York State. Average earnings in the Hudson Valley (\$36,022) were roughly halfway in between average earnings of Upstate New York and the state as a whole. A more detailed look at the tourism sector is provided in Table 16. Note: unlike Table 15, which compares first quarter 2020 to first quarter 2021, the data in Table 17 are annualized and seasonally adjusted. Consequently, the swings in either direction (i.e., job gains or job losses) are more modest than those shown in Table 15. Nonetheless, the same general pattern holds, with job losses from 2019 to 2020 offset by recoveries from 2020 to 2021.

Region	2020 Jobs	2021 Jobs	Change	% Change	2020 Average Earnings	2020 Payrolled Business Locations
New York	699,223	671,097	(28,126)	(4%)	\$42,749	64,799
Upstate	209,047	201,222	(7,824)	(4%)	\$30,000	17,957
Hudson Valley	74,693	73,127	(1,566)	(2%)	\$36,022	7,395

Source: Emsi Q3 2021 Data Set

Industry:	Performing Arts, Spectator Sports, & Related Industries				Museums, Historical Sites, and Similar Institutions			
	2019	2020	2021	% Change 2019-21	2019	2020	2021	% Change 2019-21
<u>Geography</u>								
New York	102,503	77,479	75,364	-26.5%	21,107	17,104	17,315	-18.0%
Upstate	15,742	11,741	11,397	-27.6%	3,850	3,067	3,098	-19.5%
Hudson Valley	7,090	6,003	5,894	-16.9%	1,073	843	869	-19.0%
Industry:	Amusement, Gambling, and Recreation Industries				Accommodation			
	2019	2020	2021	% Change 2019-21	2019	2020	2021	% Change 2019-21
<u>Geography</u>								
New York	103,896	65,320	61,352	-40.9%	104,363	61,832	57,798	-44.6%
Upstate	31,725	20,417	19,321	-39.1%	33,230	20,639	19,783	-40.5%
Hudson Valley	17,034	11,026	10,365	-39.2%	11,862	7,695	7,702	-35.1%
Industry:	Food Services and Drinking Places							
	2019	2020	2021	% Change 2019-21				
<u>Geography</u>								
New York	691,900	477,488	459,268	-33.6%				
Upstate	200,168	153,182	147,623	-26.3%				
Hudson Valley	64,589	49,127	48,298	-25.2%				

Source: Emsi.

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). 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 that the Region could mobilize to generate economic growth. Threats are conditions in the environment that could diminish the possibility for growth in the Hudson Valley Region.

The SWOT analysis is summarized in Table 18. This SWOT analysis is based upon the 2019-2023 Five-Year CEDS for the Hudson Valley Region.¹⁰ There are several points noted in that SWOT analysis, which are expanded upon below.

The Hudson Valley's proximity to New York City is both an opportunity and a threat: The proximity to the City 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 close to 9 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 the 5-year CEDS, 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. 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 Region at present. The most serious infrastructure issues may relate to sewer and water. The

¹⁰ Hudson Valley Regional Council, *Comprehensive Economic Development Strategy, 2019-23*, p. 23.

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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, since it fosters dispersed development that is more vulnerable to economic disruption (e.g., energy shortages) and environmental disruption (e.g., the spread of development into environmentally sensitive areas).

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 as noted above. 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.

Table 18. SWOT Analysis for the Hudson Valley	
STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> • Economic Diversity <ul style="list-style-type: none"> ○ Biotech and life sciences ○ Advanced manufacturing ○ Information technology ○ Distribution ○ Financial and professional services ○ Agriculture/food products ○ Tourism • Talent/workforce • Quality of Life • Proximity to New York City • Transportation Access to Key Markets 	<ul style="list-style-type: none"> • High-tax/high-cost location nationally • Infrastructure: <ul style="list-style-type: none"> ○ Sewer & Water ○ Transport ○ Broadband ○ Electricity • Pockets of Distress • Population stagnation/decline • Limited Capacity for Regional Planning for Infrastructure/Resilience • Too many layers of government
OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> • Attraction of Small City/Small Town/Rural Lifestyle • Adjacent to NYC metro area (tourism, workforce, industry relocation) • Urban Revitalization as exemplified by DRI Awardees: <ul style="list-style-type: none"> ○ Kingston ○ Middletown ○ New Rochelle • Export/Traded Clusters 	<ul style="list-style-type: none"> • Competition from other States/Regions for businesses and residents • Climate change • Continued technological disruption of retail • Global competition affecting local employers • Proximity to New York City

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The New Challenges Associated With COVID: Clearly, the continuing Covid-19 pandemic remains a threat to the health and livelihood of Hudson Valley residents. Yet it is also true that some of the changes taking place in the economy in response to Covid intensify some of the opportunities defined in this SWOT analysis. Some of the emerging opportunities and threats are discussed in the “Update on Regional & County Priorities” below.

Regional Vision & Strategy

As described in the 2019-2023 5-year CEDS, 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 Region’s small cities, towns and rural areas—vibrant legacies in agriculture and food, industrial innovation. This has remained true despite the hardships imposed by the Covid pandemic. Consequently, it is worth restating the vision and strategy from that CEDS since both still hold true and provide guidance in shaping the response over the next few years.

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. This has never been truer, given the importance of the Hudson Valley for New York City-based households and businesses that sought temporary (and permanent) refuge in the Region. 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 (i.e., “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. As discussed below, 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 Region

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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.

Again, in the new reality of the pandemic, and the potential for similar crises in a world affected by climate change, building and diversifying these connections between New York City and the Hudson Valley will be increasingly important for the prosperity of both places. This is the underlying premise for the actions described in this Comprehensive Economic Development Strategy.

Update on Regional & County Priorities

As part of the 2021 Annual Update to the CEDS, 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. ***An opportunity for EDA funding to leverage other sources to provide infrastructure for 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. The Region's economic development community has cultivated the interest of both state and local sources to invest in infrastructure. Consequently, there is an opportunity for the EDA to support projects that would in turn leverage substantial local and state support, thereby maximizing the return on the EDA's investments in the Region.

NOTE: As indicated in the SWOT Analysis, the Region has had a weakness in its capacity for region-wide planning for infrastructure and resiliency. This lack of capacity is a reflection of a lack of funding sources to support such activity. Specifically, planning studies tend to have a short shelf life, so to be full effective, they might be directly tied to funding sources that can implement their findings. The EDA can play a role in assembling such integrated funding sources needed to build capacity to foster regional planning for infrastructure and resiliency.

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. In many cases, this trend was strengthened during the pandemic as the Region experienced an influx of population from the New York City area.
3. ***The supply of workforce housing in each community must be improved:*** Maintaining an adequate supply of entry and mid-level workers is as important for continued economic growth as attention to infrastructure. Yet, for lack of infrastructure or due to community opposition,

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many communities have difficulty creating housing opportunities that can serve to retain or attract workers to the Region. Ironically, in some situations, the increased interest in the Region due to Covid served as a constraint on the development of new workforce housing. This was due, in part, to an increase in purchasers converting housing to second homes and/or short-term rental properties (i.e., Airbnbs).

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 from County Officials: Observations were provided by Assistant County Executive for Economic Development & Strategy Ron Hicks, and Eoin Wrafter, Commissioner for the Department of Planning & Development for the County. In their discussion, they highlighted workforce development as the County's key economic development priority.

Infrastructure:

Over the years, the County has been focused on developing sites and infrastructure related to economic development. This has helped spur growth to the extent that there are few industrially zoned sites that are not occupied and/or spoken for in the County. A few of the results are summarized here:

IBM East Campus: National Resource is the site developer and has seen an expanded footprint of the chip manufacturing on site, with Global Foundries transferring ownership to ON Semiconductors which makes semiconductors for consumer goods. The site hosts 2,200 jobs currently, with an expected \$550 million in investment in the site over ten years. Three new buildings are expected to come on line with approximately 1,000 potential new jobs.

IBM West Campus: While a proposed sports dome project did not come to fruition, Bluewater Development recently closed on that property and now has a prospective tenant with the possibility of creating approximately 700 jobs. In addition, the County worked with the Town of Fishkill to attract Amazon as a tenant for the back half of the property.

Infrastructure Extension in Wappingers and Fishkill: The County has worked with local officials in those towns to extend sewer and water along Route 376 to the Hudson Valley Regional Airport site a few years ago. This has created the possibility of a connection to the east end of Poughkeepsie, which could open that area to enhanced development.

Hudson Valley Regional Airport: The water distribution system mentioned above enhances fire suppression at the airport and improves the development potential of properties at the airport and along Airport Drive. It will be a key factor in retaining and attracting aviation-related businesses to the area.

Hyde Park Revitalization: The County has been working with the municipality to find ways to bring increased vitality to the Town so that it can better leverage the three Federal sites in its borders (the FDR Presidential Library, the Vanderbilt Mansion and Val-kill). This may be an opportunity for the EDA to enhance local and state investment in sewer and water infrastructure.

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Infrastructure Mapping: In its capital programming for 2023, Dutchess will be seeking funding to map location of water and sewer infrastructure, mapping districts and the actual location of sewer and water pipes in the County.

Broadband Access: NYSTEC is doing a gap analysis for broadband internet service. The County is looking to deploy additional towers along County rights of way to enhance service.

Support for Local Infrastructure Development: in the coming year, the County's Municipal Investment Grant program is about to begin funding local infrastructure projects.

Workforce Development:

The success the County has had in site development has in turn led to the emergence of workforce development as the top priority for Dutchess's economic development to ensure that both existing firms and prospects can tap an ample pipeline of skilled workers. Some examples of this work include:

Mechatronics Lab at Dutchess Mall: Working with a \$1.1 million investment from DCEDC, Dutchess Community College is creating a 4,800 square foot Mechatronics Lab in the former May's Store. Developed in cooperation with the Council of Industry, the Lab will provide incumbent worker training and certificate programs for student serving manufacturers within a 35-mile radius of the facility. This includes EFCO, MPI, IBM, etc.

DCC@HVR Airport: Dutchess Community College offers flight, aviation management, aviation maintenance, airframe and powerplant technician instruction through the Aviation Education Center at the Airport.

Medicinal Chemistry Training: The County is working with Dutchess Community College on developing training offerings to create a workforce pipeline for jobs in the emerging and fast-growing medicinal cannabis industry.

Other Key Projects:

The discussion touched upon other projects underway in the County that, while the County may not be directly involved, still contribute to economic vibrancy and ultimately enhance its ability to retain and recruit workforce. The projects include:

City of Poughkeepsie Revitalization: This includes such projects as the Academy Food Hall, 1 Dutchess Avenue and the ongoing revitalization of the train station, all coming out of Local Waterfront Revitalization Plan and/or the innovation district the City created. To the North, the Parker Avenue rezoning (led by Scenic Hudson) is bringing in investment and construction jobs and will host Scenic Hudson's new headquarters. In addition, the County is taking all of the Rail spurs coming into the City (from Scenic Hudson) to make trails (particularly from Hudson Heritage to the waterfront—which could have amenities similar to the West Side Highway).

Tourism Development: The ongoing planning for the \$1 billion redevelopment of the Bellefield property is ongoing. The new hotel for the Culinary Institute is moving through the approvals process. The Asahi Shuzo sake manufacturing in Hyde Park should be completed by the end of the year. In the Village of Rhinebeck, Soho House is beginning construction of approved portions and should bring a new demographic into Northern Dutchess, emphasizing the creative class.

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Housing: The Carvel project continues to evolve, with two options currently on the table—high-end housing or a resort/housing mix. Most housing activity involves the completion of long-dormant, previously approved single-family housing, rather than new developments. There is now more interest in developments with multi-family/apartment offerings, but there is little appropriately zoned land for such projects. In marked change from decades earlier, most school districts indicate there is available capacity to absorb new students via housing development.

ORANGE COUNTY

Observations from County Officials: Observations were provided by County Planning Commissioner Alan Sorensen, County Industrial Development Agency Executive Director Bill Fioravanti and Director of Economic Development Steve Gross.

The discussion noted the County's continued success in building its distribution/logistics sector. In addition, there is strength in advanced manufacturing. For example, the Oscar statuette is made in Orange County at the UAP Polich Tallix Foundry. Tourism continues to be a strength, bolstered by the opening of LEGOLAND, New York and growth in accommodations. Another continuing long-term strength in the County is agriculture/food processing, with the Angry Orchard cidery and a spate of microbreweries being good examples. In addition, the County sees continued revitalization taking place in its urban centers of Middletown, Newburgh and Port Jervis.

Infrastructure:

Infrastructure is highlighted in the State of the County address. Much of the COVID relief received by the County was targeted to bridges and roads. The eventual completion of the I-86 expansion will be an important enhancement of the County's transportation system. Amy's Kitchen required expanded water and sewer and opened additional development opportunities in the area. Expansion of the Harriman Plant treatment plant is being pursued by the County, although the new capacity is slated to be absorbed by development already in the pipeline.

The importance of rail service: Rail is an important infrastructure for the County. It has short-line service available in many points in the County. From the Port Jervis line north from New Jersey are shortline railroads with significant freight traffic and the West Shore CSX Rail runs through the County. Orange County also has passenger service along the Port Jervis line with stations in Port Jervis, Otisville, Middletown-Walkkill, Cambell Hall, Salisbury Mills, Harriman and Tuxedo. A new rail study is in process by NYMTA and the County will be looking closely at those results to understand the role freight rail service plays and can play in the County. In addition, Amtrak's Gateway project to improve rail passenger service in the Northeast should enhance passenger service in the County, when completed in the years ahead.

County Shovel Ready Initiative: Green Thumb Industries and CITIVA/iAnthus were attracted to the former Warwick prison sites supported by a \$3.5 million IDA investment. Through a New York State "Economic Transformation" grant (available for redeveloped prison sites), the IDA was repaid \$3 million and is using some of those funds to create a "Shovel Ready" initiative to inventory sites, to target new opportunities, particularly higher-quality projects that highlight higher value-added projects (e.g., advanced manufacturing), and to diversify away from distribution.

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Key Projects:

Orange County has seen activity in variety of sectors, ranging from energy to cannabis to wine production to distribution and tourism. The list below highlights some of these recent developments.

Recent OCIDA-incentivized Projects

- Green Thumb Industries (cannabis manufacturer, Town of Warwick)
- CITIVA/iAnthus (cannabis manufacturer, Town of Warwick)
- Walgreens (Pharma distribution, Town of Newburgh)
- Convergent Energy Systems (Town & Village of Warwick)

OCIDA Project Pipeline

- Royal Wine Co./Kedem, maker of kosher wine and grape juice plans to erect a 635,000-square-foot building in Goshen
- Other projects in the pipeline but early in development involve a major beverage distributor, multiple Hotels and a major energy project

Other Projects of Note

- Amazon has established a 1 million square foot distribution center in the Town of Montgomery
- Medline has a 1.3 million square foot distribution center also in the Town of Montgomery
- Orange County has sold three adjacent buildings on Grand Street in Newburgh (the Masonic Lodge, the American Legion Hall, and the YMCA) for \$1.25 million to Sims Foster of Foster Supply Hospitality, which plans to develop a boutique hotel on the site
- Amy's Kitchen will soon begin construction on a 390,000 square foot manufacturing facility on Route 17M in Goshen that will employ over 500 people once it opens in 2024
- City Winery, a winery and entertainment venue, has been opened in the Village of Montgomery
- In addition, there are film and TV production projects (both filming and studio development) in Newburgh and Cornwall

PUTNAM COUNTY

Observations from County Officials: Observations were provided by County Planning Commissioner John Tully, County Planner Barbara Barosa and Planning Assistant Ilona Campo. The smallest of the Region's counties by area, Putnam County continues to position itself to take better advantage of 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 40 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.

Recent Projects:

Recently completed or proposed projects include the following:

- A major logistics center in the Town of Southeast on Route 312 measuring over 1,000,000 ft² is fully approved and should employ 600 after opening in 2023

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- A major sports facility for traveling teams with multiple turf fields, concessions, etc. is under review in Southeast
- Several distribution/logistics-related projects are slated for the Towns of Patterson and Southeast along routes 22, 6, and 312
- Commercial/retail developments include a Restaurant Depot in the Town of Southeast (Village of Brewster), Union Place in Mahopac and Patterson Crossing in Patterson, including a proposal for a Costco that has been pending for about 15 years

Infrastructure:

The Village of Brewster: The Village upgraded its sewage treatment plant in 2009 so they have more than 50 percent capacity. They are targeting transit-oriented development projects for the downtown, potentially featuring first floor commercial office space with residential apartments on the upper floors.

Intermunicipal projects with Danbury, CT: The County is currently conducting a study for an intermunicipal arrangement with the city of Danbury to potentially tap into excess capacity and provide sewer connections to a commercial corridor in the Town of Southeast. The County also recently completed a feasibility study for a connection between Danbury and Southeast that would bring MetroNorth rail service to Danbury. There are some significant infrastructure improvements planned for the I-84/I-684 interchange that would also strengthen both Putnam County and Danbury.

ARPA Funding: Putnam County has used some of the CARES Act funding to support the County transportation system. The County has been working with the municipal leaders to establish a grant program to assist them to qualify for the use of ARPA funds (e.g., helping communities identify new projects, assisting them with meeting matching fund requirements, etc.).

COVID Impacts: Putnam County has traditionally been a bedroom community for people working in New York City. The rise of remote work was a boon for the County since it meant that workers were not going into New York City but staying locally to work and shop. Indications are that this is still happening. MetroNorth ridership is still below pre-COVID levels.

Resiliency:

The County has been active in New York State's Article 9 Energy Savings Program. This has enabled the County to make \$8 million investments in energy efficiency. For example, 33 municipal buildings were given energy audits. Facilities were retrofitted with improved insulation, upgraded HVAC systems and solar installations. While County energy spending has gone up during the current spike in energy costs, it is far below what is anticipated, reflecting a return on the initial investment.

ROCKLAND COUNTY

Observations from County Officials: Lucy Redzeposki, Director of Economic Development and Tourism, provided insights to the economic prospects of Rockland County. Even in the midst of COVID, Rockland County is maintaining the momentum for economic development established over the past decade. \$63 million in COVID relief has helped the County make further long-term improvements in its economic prospects.

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Outdoor recreation-based tourism has been growing and was given a boost by recent trail improvements in the County. Piermont now has a trail that links it to the Orange County border with waterfront trails included. In addition, the link between Nyack and Haverstraw has been completed.

Downtown revitalization efforts have also been ongoing. Haverstraw received a \$10 million DRI award and, among other projects, is exploring a ferry connection with Ossining. Nyack and other villages and hamlets are also seeing an ongoing resurgence, with new developments involving restaurants, businesses and housing. As part of its COVID response, the County launched the Reviving Rockland Restaurants Grant Program with \$500,000 in ARPA funds targeted to reimburse businesses between \$5,000 and \$25,000 for past expenses or fund future expenses for eligible outdoor dining COVID-19 mitigation equipment. In another COVID related program, the County's Food Security Grant Program reimburses organizations that distributed food to communities that have been disproportionately impacted by the COVID-19 pandemic between \$5,000 and \$25,000 for qualifying past expenses.

The County also had a banner year in economic development, with the IDA involved in 20 projects amounting to almost \$1 billion in new investment. In total, these projects are expected to create 400 new jobs and help retain 572 existing jobs in a variety of sectors, including manufacturing, professional services, distribution operations, data centers, health and human services, hospitality, and energy.¹¹ See "Recent Projects" below for descriptions of some of these developments.

Workforce Development:

Rockland County has been developing a "rapid response" capability to provide fast and effective workforce training programs to enterprises in the County. For example, the New York State Department of Health Bureau of EMS reported that the number of certified EMS providers in New York has declined 9% in the last 10 years. In response to the shortage in Rockland, the County, Rockland Community College and local health care providers collaborated to create a three-month certification program for emergency medical technicians and paramedics designed to set unemployed and underemployed workers on the path to a new career. The three-month-long certification program culminates with on-the-job training as an EMT professional at Rockland Paramedic Services, which is committed to hiring those students who complete the program. Using this same approach, 13 other workforce programs are being created for other in-demand fields, all with an average starting salary of \$40,000 upon graduation. Examples of these programs include Class A Truck Driver (CDL), Credentialed Alcohol and Substance Abuse Counselor (CASAC), and Barber Operator.

Recent Projects:

Some of the County's recent economic development work described above includes:

DataBank Data Center, Orangeburg: A leading provider of enterprise-class colocation, connectivity, and managed services recently acquired 34 acres at 2000 Corporate Drive to develop the fifth data center in

¹¹ <https://rcbizjournal.com/2021/10/14/more-than-17-new-business-projects-under-way-in-rockland-county/>

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the New York City metro area. This project will help meet the accelerating demand for mission critical IT infrastructure in the region.¹²

Vincent's Village, Nanuet: A \$42-million affordable and supportive housing development in the village of Nanuet. Supported with \$21.9 million in financing from New York State Homes and Community Renewal, the development has 93 affordable homes with on-site health and wellness services for adults age 55 and older. The project is built on land that served as the longtime home of St. Agatha's orphanage, which dated back to 1884 and was operated by the Sisters of Charity.

Jawonio campus, New City: The \$20 million project consisted of the relocation of Jawonio's summer education facility and construction of a new 70,000 square foot facility for corporate offices and a new Workforce Training Center. As part of this project, the organization has committed to creating 230 new jobs and retaining nearly 700 full-time positions. New York State supported the expansion with more than \$3.3 million in Empire State Development capital grants.

SULLIVAN COUNTY

Observations from County Officials: Observations were provided by Freda Eisenberg, the County Planning Commissioner, Jill Weyer, Deputy Commissioner, Heather Brown, Sustainability Coordinator, and Sullivan Partnership President Marc Baez.

The County has seen development activity in a wide variety of fronts, from food processing to health care to outdoor recreation. Several key trends stand out:

Village/Hamlet revitalization: In part related to COVID, but in some cases pre-dating it, most hamlets and villages in the County are experiencing revitalization, taking advantage of increasing interests in outdoor recreation and opportunities for remote work.

Arts-related revitalization: Among many projects in the County, both Liberty and Monticello villages are experiencing the revitalization of old downtown theaters. The Delaware Valley Opera has moved to Town of Cohecton. Artist Bosco Sodi has created a studio and gallery, The Assembly Project, in a former auto dealership in Monticello.

Outdoor recreation: Rail trails continue to be developed along the former O&W rights of way, with a recent project involving a \$4 million effort to Mountandale, Woodridge and South Fallburgh by trail, with an on-road connection to Liberty.

Infrastructure:

Water and sewer: Virtually every municipality in the County is exploring the possibility of expanding water and sewer infrastructure. Much of this is related to efforts to strengthen and revitalize villages and hamlets. But, as noted below in "Recent Projects" much of this effort is also targeted at enhancing development opportunities for existing industrial and commercial sites.

¹² Ibid.

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Broadband internet: The County's Local Development Corporation had earmarked \$2 million to assemble a broadband network in the County. The County built a series of towers for its E911 network and is now seeking an EDA grant to fill in the service gaps in that network.

Recent Projects:

Ideal Snacks, Liberty: The company, a contract manufacturer of popped snacks, was recently acquired by Pepsico to broaden its portfolio of healthy snacks.

The Syms Project, Liberty: The former Liberty Golf Course is being redeveloped as housing and hospitality. It will require sewer and water infrastructure to be extended from the Village of Liberty.

Holistic Industries, Liberty: A cannabis growing and processing facility near Parksville Road just off Exit 99 on Route 17 in Liberty. The industrial facility could be up to 80,000 square feet and is expected to produce between 70 and 100 jobs.

Liberty Business Park, Liberty: A 1 million square foot logistics center that will require an extension of water and sewer infrastructure from the Village of Liberty is now being explored.

Maxon Project, Thompson: This is a 140,000 square feet facility being developed by Nonni's Biscotti to manufacture organic snacks.

RGG Realty Business Park, Monticello: Apple Ice purchased 82 acres behind the Appollo Plaza, including a 20,000 square foot building. Plans include a 100,000 square foot ice production and distribution facility. The existing sewer and water on the current site will need to be extended to the new facility.

Exit 107 Project, Monticello: The 476,000 square foot distribution center expected to receive final approvals in the third quarter of 2022.

Avon Commerce Park, Rock Hill: A 560,000 square feet of warehouse space in two buildings.

Children's Specialty Hospital, Rock Hill: With the help of a \$35 million dollar low-interest loan from the Department of Agriculture, the Center for Discovery is developing a hospital that will provide specialized assessment and short-term care for children with complex disabilities at the former Frontier Insurance headquarters.

Kittatinny Campgrounds Expansion, Barryville: Northgate Resorts, owner of the campgrounds, received a Mid-Hudson Regional Economic Development Council grant totaling \$1.5 million to improve and expand the 250-acre landmark outdoor recreation site. Camp Fimfo will feature a collection of new riverfront, treetop, and A-frame cabins coupled with premium RV sites and Airstream trailers plus glamping tents and pods

ULSTER COUNTY

Observations from County Officials: Ulster County Planning Commissioner Dennis Doyle and County Director of Economic Development Tim Weidemann provided insights. In general, the County is facing a number of issues or opportunities almost all arising from sustained economic success, all intensifying during the pandemic. These include:

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Workforce shortages: The unemployment rate in the County has been below 3 percent for much of the pandemic. While this is good news for job seekers, the shortage of workers makes it difficult for employers to maintain and expand their businesses.

Housing affordability: The shortage of affordable housing underlies Ulster’s workforce problems. As in many places in the region, during the pandemic, housing prices increased dramatically as buyers leaving the New York City area flooded into the market. At the same time, many existing units were turned into short-term rentals aimed at visitors or short-term relocations from the metropolitan area. Both of these trends had the effect of crowding existing County residents out of the housing market, exacerbating an already constrained market and further constricting the supply of labor in the County.

Increased opportunities for tourism and downtown revitalization: In many ways, Ulster County—particularly the City of Kingston—was discovered during the pandemic. As indicated in Table 11 above, home sales surged by one-third during 2019-20. From glamping sites to high end resorts, the next generation of hospitality and tourism came to the County at the ultra-premium level, fueled by a combination of opportunities for outdoor recreation, agritourism, arts and entertainment. This was coupled with the rise in the opportunities for remote work experienced by much of the Hudson Valley.

Infrastructure:

Telecommunications broadband has become a focus for the County to address locations—many remote—that lack access. Currently, approximately 97 percent of the County is covered with broadband with underserved areas primarily in the mountain towns or along private roads. Many of those households affected by lack of broadband are people that moved to the County to work remotely and then found they lacked the connectivity. Addressing this critical issue requires a balanced approach to foster remote work without opening environmentally sensitive or scenic areas to inappropriate development.

Priority Projects:

Tech City, Town of Ulster: The former IBM site is a transformational project for the County. Now that National Resources is gaining control of the 256-acre site, the time has come to address the infrastructure investments that will be required to reactivate this property. Revitalization of this “contaminated greenfield” will require massive investment in such onsite infrastructure as water, sewer, electric, and telecommunications, as well as offsite investments in transit, workforce housing, etc. While there has been interest at the State, County, and municipal level in this project, engaging the EDA will greatly enhance the probabilities of successfully bringing this site to its full economic potential.

Winston Farm, Town of Saugerties: Saugerties Farm, LLC, is proposing to transform the Winston Farm 800-acre property into a regional mixed-use destination venue for the Hudson Valley. Currently, uses being considered for the site include single- and multi-family housing, a job incubator, public multi-use trails, camping, and an amphitheater. The site has the potential to drive economic development in the northern part of Ulster County. Defining its role in the County and regional economy as well as assembling the resources needed to realize that role will be a major step forward for the County’s economy.

Workforce Housing: While the EDA normally does not include housing in its economic development agenda, workforce housing issues must be addressed in order to accommodate the potential growth from Tech City, Winston Farm, and the Cresco site—the former Imperial Schrade property in Ellenville—as well as the workforce required to meet the expected growth from tourism, hospitality, and the myriad other opportunities in the County. The County is exploring the possibility of using a housing trust fund to foster the construction of housing affordable to workers. Such a fund would effectively allow businesses to

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invest in the fund and make the funds available to their workers for down payment assistance or other types of assistance to secure housing.

Agriculture/Food Systems: Over the past few decades, Ulster County has developed a fairly robust specialty agricultural sector with smaller farms serving limited markets with specialty products. The pandemic has raised the issue of food security, particularly with respect to food supply chains and the ability of vulnerable populations to maintain access to food. Over the past few years, there has been increased activity in the County related to aggregation and processing. This is one of the major categories of tenants that have expressed an interest in TechCity, including processors for meat, dairy, vegetables, and even cannabis. The County expects interest in these activities to increase once the current inflationary pressures ease on the farm sector.

Resiliency:

The County has created its Green New Deal initiative to help stabilize climatic conditions, transition to clean energy, and protect and regenerate the County's natural resources, while also promoting actions to undo generations of economic and environmental injustice, and create new opportunity.

The Green New Deal connects these twin urgencies, pursuing prosperity by committing to do the work at scale. Laid out over a nearly twenty-year time horizon, with a suite of immediate actions, intermediate targets, and aggressive but achievable long-term goals, this package of policies and investments represents a sustained and substantial effort to address the climate-related challenges before the County. The effort involves three prongs: 1) Solarize Ulster is promoting the expansion of solar energy throughout the County; 2) the Green Economy Network is a business-to-business network designed to share information and opportunities related to business practices and market opportunities available in this emerging sector; and 3) the Jobseekers initiative that helps individuals find job opportunities and careers in the green economy.

WESTCHESTER COUNTY

Observations from County Officials: Observations were provided by County Planning Commissioner Norma Drummond and Director of Economic Development Bridgett Gibbons.

At the time of this interview, many businesses were still using remote work, and it is not yet clear how this trend will impact the office market in the long run. While ridership is increasing, buses are still operating at 75 to 80 percent of normal capacity despite the County charging no fares during this summer. MetroNorth is also still far below its normal ridership for its commuter lines into the City. During the pandemic, the County provided \$14 million in grants to small businesses through CARES funding, generating an estimated impact of \$17 million for the County's economy. The County also operated a \$10 million grant program for not-for-profit and religious organizations to reimburse them for expenses related to the costs they incurred when providing services in response to the pandemic.

Infrastructure: It was pointed out that infrastructure is a major constraint on development in virtually every municipality in the County, particularly water, sewer, and gas lines. The County is pursuing options to address this. For example, the Town of Cortlandt and Village of Buchanan were recently given \$7 million in funding to support the planning of four intermunicipal sewer projects, including the refurbishing and expansion of the Buchanan Wastewater Treatment Plant and the connection of a new sewer district

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in the hamlet of Montrose, designed to leverage up to approximately \$10 million in additional state funding.

According to former Rep. Nita Lowey, the funds are expected from a US Department of Commerce program designed to assist communities that are home to shuttered nuclear power plants. Cortlandt Town Supervisor Linda Puglisi indicated that the funds would go toward developing an educational recreation center along the Hudson River, with improvements to roads and water lines at the Cortlandt Quarry Park site in the hamlet of Verplanck. In addition, the Town of Cortlandt is conducting a feasibility assessment for the construction of the sanitary infrastructure for a proposed Annsville Creek Sanitary Sewer District, which had received interest from prospective developers.

Recent Projects:

Westchester County Airport Enhancements: The airport is undergoing a supplementary master plan that the FAA had funded in 2018 examining economic, safety, and environmental issues. The plan will inventory uses at other regional airports to identify opportunities to potentially reuse sites in the local corporate parks for aviation-related uses. The object is to expand the economic benefits associated with the airport without expanding the airport and its utilization.

Lionsgate Studio, Yonkers: The production facility is envisioned to become the largest modern-built film and television production facility in the Northeast. Great Point Studios will occupy seven of the complex's eleven stages, along with office and support space. Besides its prominent theatrical film presence, Lionsgate will produce more than 40 television shows for various broadcast outlets, including its subsidiary Starz. Great Point Studios has also announced a \$500 million expansion plan and new long-term tenants for the facility, which include Lionsgate, Mediapro, and Syracuse University. When completed, the campus will include a total of eleven soundstages: eight 20,000-square-foot stages, two 10,000-square-foot stages, and a 30,000 square-foot stage. It will also include parking for more than 750 cars and 100 trucks.

Westchester Medical Center expansion, Valhalla: A \$230-million, 280,000-square-foot Ambulatory Care Pavilion expansion is in progress adjacent to Westchester Medical Center on its Valhalla campus.

The North 60, Mount Pleasant: A proposed \$1.2 billion development that will transform a vacant 60-acre site adjacent to the Westchester Medical Center into an innovative bioscience, technology, and lifestyle campus, the North 60 will feature approximately 3 million square feet of biotech-medical technology space, research, and medical office space; neighborhood-style retail space; a hotel with conference facilities; a Children's Life Science and Career Training Center; a health and wellness center; and structured parking. This development will be a model for hybridized space combining retail with residential and healthcare.

The former United Hospital, Village of Portchester: The site is the focus of a proposed project calling for mixed-use development that includes 775 multifamily housing units, 200 age-restricted units, a 120-room hotel, and approximately 18,000 square feet of retail and restaurants. Of the 200 age-restricted homes, 90 would be independent living and 110 would be assisted living.

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Regeneron Campus, Village of Tarrytown: Regeneron has plans for a large in-place expansion, pending funding, for a \$1.8 billion research, preclinical manufacturing, and support facilities at the company's Westchester County campus in Tarrytown. The company, a biotechnology leader that invents and manufactures life-transforming medicines for people with serious diseases, committed to creating at least 1,000 new full-time, high-skill jobs in the Mid-Hudson Region over the next five years.

Amazon Distribution Facility, Town of Mount Pleasant: The project at 211 Saw Mill River Road will have 150,000 square feet of distribution space, consisting of 136,000 square feet of warehouse space and 14,000 square feet of office space.

Empire City Casino, City of Yonkers: Pending the award of a full gambling license for the site, the Casino will be expanding and adding over 1,000 jobs on the site.

Office Park Redevelopments: A number of former corporate office parks in the County are being redeveloped, bringing residential buildings and mixed uses into the corporate parks to accommodate the increasing demand for office, commercial, and residential development.

Launch1000: This program was established in 2020 by the County with the goal of providing 1,000 Westchester residents with the skills to start a business or develop an income stream. Launch1000 was designed as a remote, self-paced training program. The County contracted with the firm Entrepreneur Ready to conduct the program. Over 700 residents enrolled in the program with 218 completing the program and launching their own businesses. An evaluation of the program found that for every \$1 invested by the County in the program, \$14 in economic benefit was gained by the County. This successful program is of interest to other industrial development agencies in the region.