



## Office of the Ulster County Comptroller

### Sizing Up Ulster

July 28, 2016

New York State Comptroller Thomas DiNapoli's recently released economic profile of the Mid-Hudson region<sup>1</sup> bundles a disparate group of counties together which are geographically linked but statistically diverse. The area, defined by the seven counties immediately north of New York City, totals 2.3 million people and includes Westchester, Rockland, Putnam, Orange, Dutchess, Ulster, and Sullivan. Due to the proximity of several of the counties to the metropolitan area, the report reflected that much of the Mid-Hudson Valley enjoys higher-than-average incomes and property wealth, yet has a relatively high cost of living.

Employers in the region paid an average annual wage of \$56,647, which is higher than any other area in the State besides New York City. Regionally, annual unemployment rates have dropped from 7.6% in 2012 to 4.7% in 2015. Preliminary data by the Department of Labor shows that regional unemployment was down below 4% by May 2016 with Ulster County dropping to 3.9% (from 4.9% a year earlier).

However, of the seven counties, Ulster does not enjoy many of the same economic successes experienced by several of the counties in close proximity to Manhattan. This inequity is partially due to the uniqueness of the region defined for this report. Simply put, the southern Mid-Hudson Valley is demographically and financially different than its northern counterpart. The proximity of the lower portion of the Mid-Hudson region to New York City has tremendous effects on the overall wealth, property value, and purchasing power of these communities.

Of the 2.3 million people who called the Mid-Hudson area their home in 2015, only 180,143, or less than 10% of them reside in Ulster County. Of that number, the report found that nearly 18% of Ulster County's population is over the age of 65 which appears to be indicative of the entire region. Ulster's 65+ population has steadily increased since 2000 which may suggest that Ulster's baby-boomers chose to "age in place." While Ulster's median age is 42.9, it does have one of three municipalities in the region with a median age under 30 – the Town of New Paltz, which holds this distinction in large part due to the SUNY New Paltz campus and student body.

Median household incomes provided by the U.S. Census Bureau indicated that Ulster County residents make nearly 20% less than the majority of the region placing it just below the New York State average. However, Ulster's owner occupied homes are valued dramatically less than five of the seven counties in the profile.

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<sup>1</sup> See "Special Report: Mid-Hudson Region Economic Profile," by Office of the New York State Comptroller (July 2006). Available at <http://www.osc.state.ny.us/localgov/pubs/economicprofile/midhudsonregion.pdf>

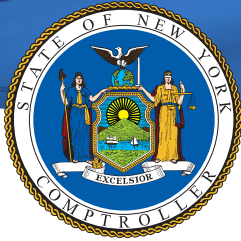
Ulster County fares well in effective tax rate, both regionally and statewide. The median effective property tax bill (\$7,275) is nearly \$1,000 below the New York average and less than half the bill that Westchester County residents receive. Only Sullivan County enjoys a smaller median bill.

When it comes to travel, Ulster County residents have the shortest commute to work at a median time of only 27.8 minutes. Only 10.4% of residents experience an average commute of one hour or more, which is also the lowest figure in the region. Both of the aforementioned commute time indicators put Ulster below the New York average as well.

In the Mid-Hudson region, the top three employers are related to health care, government and retail. Government employment also encompasses public elementary and secondary school teachers and administrators, as well as employees of public institutions of higher education. It is likely that as our aging regional population grows, or is at least maintained, that the health care field will only become a more prevalent employer for the area.

As indicated by the New York State Comptroller, the Mid-Hudson region is relatively prosperous. However, the outlook for Ulster County is defined by our exceptional story based on the uniqueness of baby-boomers who have spendable dollars, centers of higher education which create its own distinctive intellectual and youthful energy, attractive housing prices and strong trending employment opportunities.

*The mission of the Ulster County Comptroller's Office is to serve as an independent agency of the people, to protect the public interest by monitoring County government and to assess and report on the degree to which its operation is economical, efficient and its financial condition sound.*



Office of the NEW YORK STATE

**COMPTROLLER**

# **Special Report: Mid-Hudson Region Economic Profile**

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NYS Comptroller

**THOMAS P. DiNAPOLI**

**JULY 2016**

# Overview

The seven counties immediately north of New York City (Westchester, Rockland, Putnam, Orange, Dutchess, Ulster and Sullivan) make up New York’s Mid-Hudson region, also commonly referred to as the Mid- or Lower Hudson Valley. Much of the region is suburban, with greater development near the Hudson River, Metro-North railroad stations and major roadways into New York City. However, the area also contains one of the State’s largest cities, numerous urban centers, rural villages, farmland and forests. (See Figure 1 for a list of local governments and service districts in the area.)

Figure 1	
Local Governments and Districts in Mid-Hudson Region	
<b>General Purpose Local Governments (Municipalities):</b>	
Counties	7
Cities	12
Towns	105
Villages	81
<b>Special Purpose Local Governments:</b>	
School Districts	108
Fire Districts	195
<b>Districts:</b>	
Town Special Districts	1131
County Special Districts	22
Independent Special Districts	6
Soil and Water Conservation Districts	7
<small><b>Source:</b> Office of the New York State Comptroller (OSC); count as of December 2015. For notes and definitions, see <a href="http://www.osc.state.ny.us/localgov/datanstat/entitytable.htm">www.osc.state.ny.us/localgov/datanstat/entitytable.htm</a>.</small>	

Economically, the Mid-Hudson region is relatively prosperous: county median incomes and property values are both well above the State and national averages. However, the costs of living and doing business there are also above-average. The population is becoming more ethnically diverse, and the proportion of senior citizens is growing.

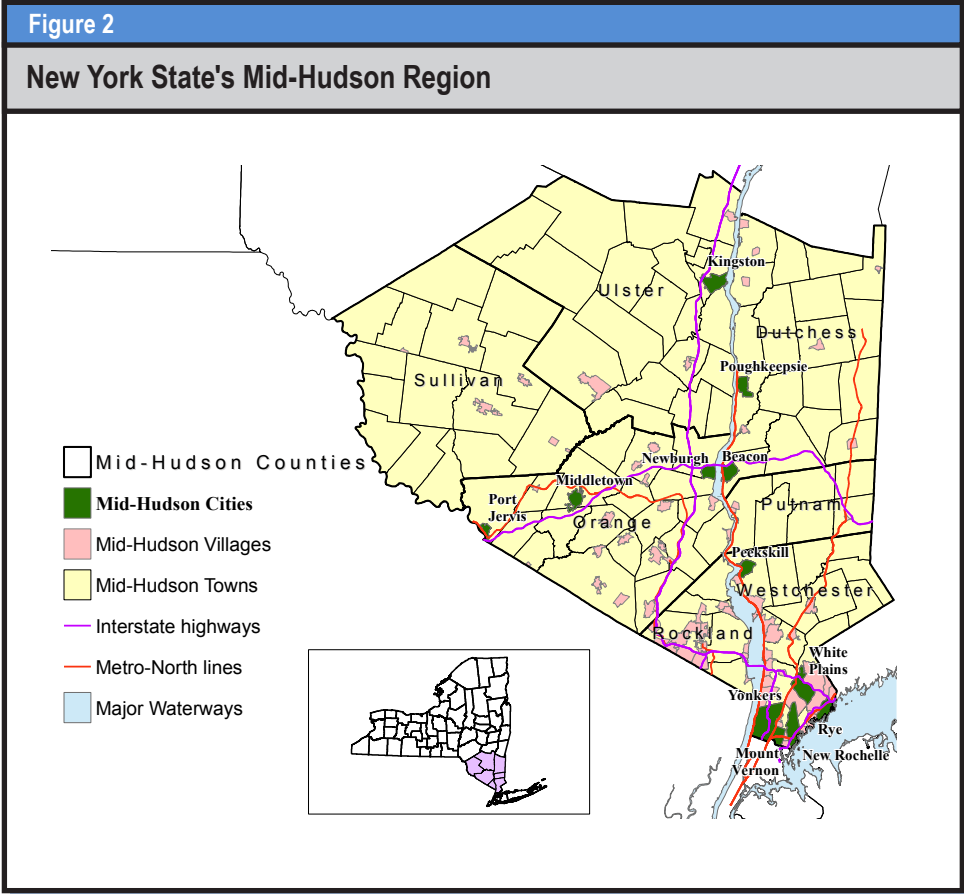
Current unemployment is below 5 percent in most of the counties, with a significant number of residents commuting to New York City. Health care and government are major employment sectors, followed by hotels and restaurants, and retail trade establishments. Recent economic development efforts have focused on attracting biotechnology and other high-tech manufacturing, and on activities that take advantage of the region’s extensive road systems and generally well-developed infrastructure.

# Geography

The region’s counties range in size from Rockland, which, at 174 square miles, is the smallest county in the State outside the five boroughs of New York City, to Ulster County, which is 1,124 square miles.<sup>1</sup> (See Figure 2.)

The southern counties of Westchester, Rockland, Putnam and Orange are all predominantly suburban, although Westchester County has well-developed urban areas to the south, with five cities being located near each other and interspersed with densely-populated villages. Development is denser near commuter rail lines and highways, tapering to less dense and often more affluent communities away from the commuter corridors.

The northern counties of Dutchess, Sullivan and Ulster tend to be more sparsely-populated, with the exceptions of the southwest area of Dutchess County and the cities of Kingston and Poughkeepsie. The Catskill Mountains run through the northern parts of both Ulster and Sullivan counties, and the Catskill/Delaware Watersheds – which provide about 90 percent of New York City’s water supply, and around which development is restricted – run through both counties as well.<sup>2</sup>



# Demographics

Just over 2.3 million people called the Mid-Hudson region home in 2015, with populations ranging from 976,000 in Westchester County (42 percent of the region's population) to just under 75,000 in rural Sullivan County. The population grew 5.1 percent from 2000 to 2010, and 1.7 percent from 2010 to 2015. In the past five years, growth has largely taken place in Westchester, Rockland and Orange counties. The percentage of the population over 65 has also been growing in all counties, as has the Hispanic and Latino population, while the percentage that is white non-Hispanic has been declining. (See Figures 3 and 4.)<sup>3</sup>

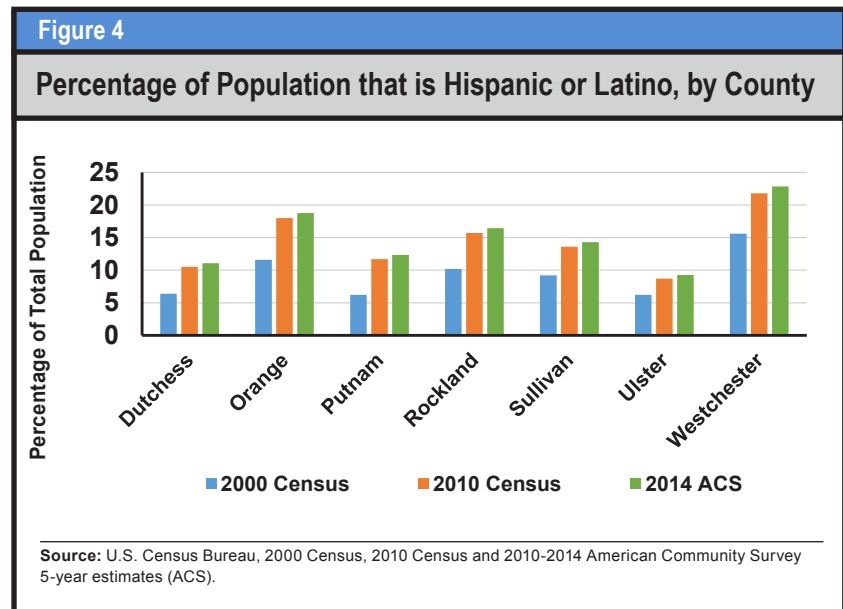
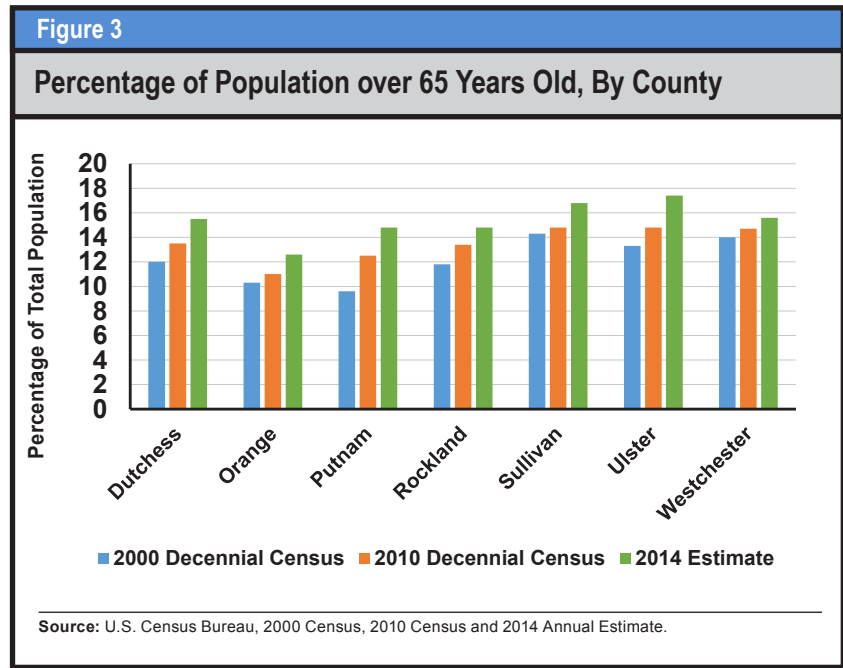
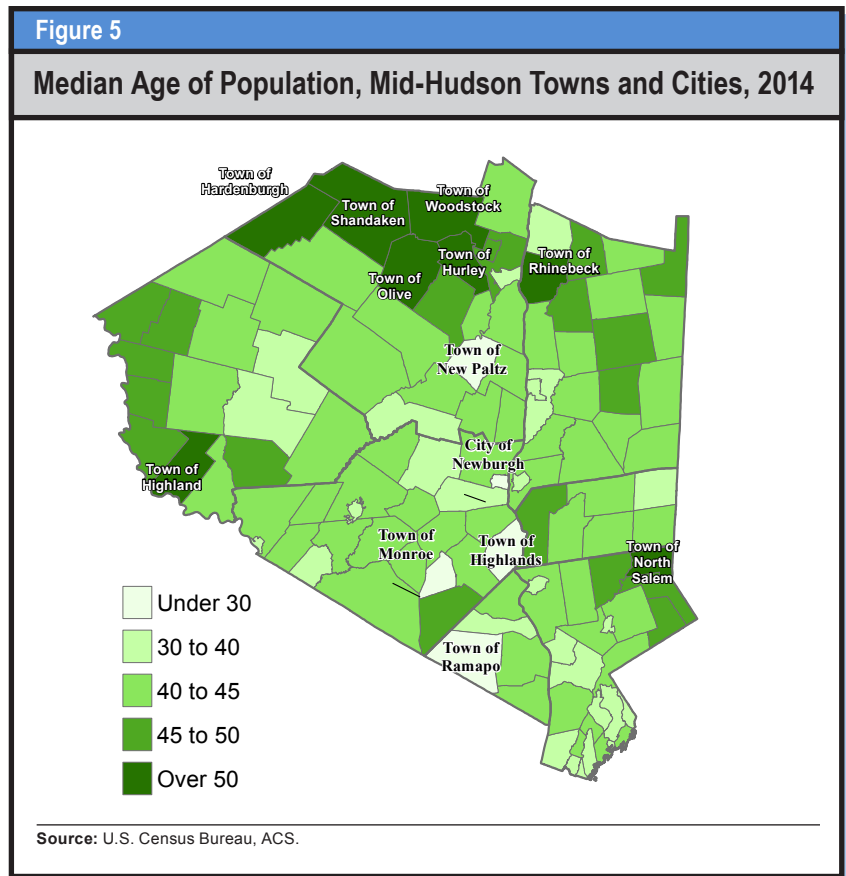
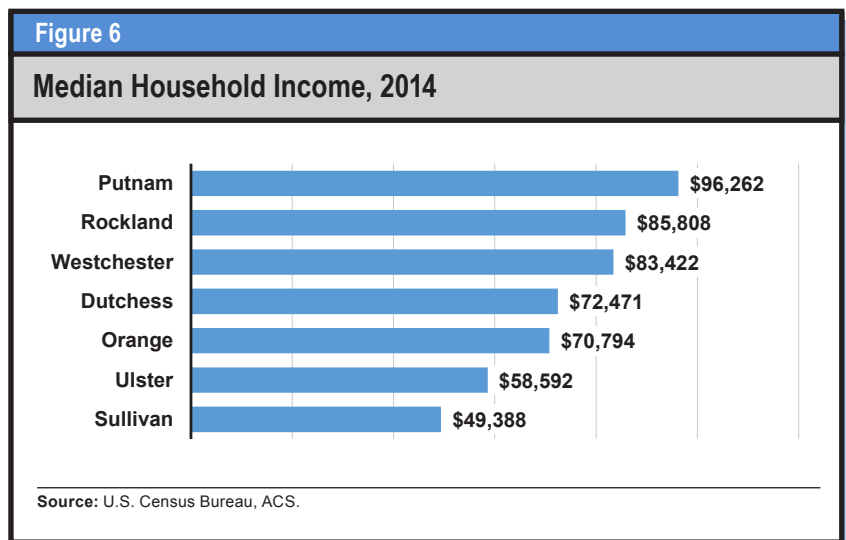


Figure 5 shows the median age of the region's population by town and city as of 2014. The towns of New Paltz, Highlands, Monroe and Ramapo have median ages under 30. In the first two instances, this is due to the large number of students in SUNY New Paltz and the U.S. Military Academy at West Point, respectively. The Village of Kiryas Joel (in the Town of Monroe), has a very low median age (13.2 years) due to high birth rates, as do two villages in the Town of Ramapo: Kaser (12.9 years) and New Square (13.6 years). Some of the rural towns in the north and west of the region have median ages over 50, as young people in particular have been migrating out of the area.<sup>4</sup>



Of the seven counties in the region, Westchester County is both the most populous and the most similar to the State overall in terms of ethnic composition. However, it is much wealthier: median home values are nearly twice those statewide, and median household income is more than 40 percent higher, while its poverty rate is much lower. Westchester County's adults are also more likely to have a bachelor's degree. Putnam County has the least diverse population, the highest



median income and the lowest poverty rate in the region. Sullivan County, by contrast, is well below the State average in measures including median income and home value, and its child poverty rate is higher. (See Figures 6 and 7 for more details on the region's demographics.)

Figure 7

## Demographic Indicators, Mid-Hudson Region Counties and New York State

	New York State	Dutchess	Orange	Putnam	Rockland	Sullivan	Ulster	Westchester
Population (2015)*	19,795,791	295,754	377,647	99,042	326,037	74,877	180,143	976,396
Population growth 2000-2010**	2.1%	6.2%	9.2%	4.1%	8.7%	4.8%	2.7%	2.8%
Population growth 2010-2015*	2.0%	-0.7%	1.1%	-0.8%	4.3%	-3.3%	-1.2%	2.7%
Persons per square mile*	420	372	465	430	1,879	77	160	2,268
Median age	38.1	40.8	36.8	42.6	36.4	41.8	42.9	40.3
White persons	65.0%	79.0%	75.4%	89.6%	71.5%	81.1%	87.1%	66.5%
Black persons	15.6%	10.1%	10.2%	2.0%	12.5%	8.8%	5.7%	14.3%
Asian persons	7.8%	3.9%	2.6%	2.3%	6.3%	1.6%	1.8%	5.6%
Persons reporting two or more races	2.8%	2.9%	3.3%	2.4%	2.1%	3.4%	3.6%	3.1%
Persons of Hispanic or Latino origin	18.2%	11.0%	18.8%	12.3%	16.4%	14.3%	9.3%	22.8%
White persons not Hispanic	57.3%	73.5%	67.1%	81.7%	64.2%	73.9%	80.8%	56.1%
Foreign-born persons	22.3%	11.7%	11.2%	12.9%	21.7%	9.9%	7.4%	25.2%
Languages other than English spoken at home	30.2%	15.2%	23.8%	18.8%	37.6%	15.4%	12.0%	33.0%
Median household income	\$58,687	\$72,471	\$70,794	\$96,262	\$85,808	\$49,388	\$58,592	\$83,422
Bachelor's degree or higher	33.7%	33.4%	28.6%	38.2%	40.7%	21.1%	30.1%	46.0%
Owner-occupied housing units	53.8%	69.5%	69.6%	82.7%	69.0%	65.1%	69.5%	61.9%
Housing units in multi-unit structures	50.7%	28.3%	28.6%	15.3%	32.9%	17.8%	22.1%	49.3%
Persons per household, average	2.62	2.61	2.90	2.85	3.16	2.51	2.45	2.73
Median value of owner-occupied housing units	\$283,700	\$282,100	\$268,500	\$362,400	\$424,400	\$168,800	\$226,600	\$509,200
Owner costs exceeding 30% of income	32.8%	37.0%	38.9%	37.9%	40.1%	35.4%	35.3%	38.8%
Renters costs exceeding 30% of income	50.8%	50.7%	55.0%	51.1%	56.9%	48.8%	54.2%	53.0%
Child poverty rate	22.1%	10.5%	19.7%	5.7%	23.9%	26.0%	12.9%	12.3%

Source: U.S. Census Bureau, all data is from the 2010-2014 American Community Survey except as indicated.

\* 2015 Population Estimates.

\*\* 2000 and 2010 Censuses.



## Mid-Hudson Region Cities

The Mid-Hudson region includes 12 cities. They are generally more ethnically diverse and younger than their suburban neighbors, and have lower median incomes and higher poverty rates. However, the cities of the region also differ from each other in many ways. Yonkers, which is located just north of New York City, is much larger than any of the others. With a population of 201,116 people in 2015, it is one of the State's "Big Five" cities.<sup>5</sup> Rye is the single wealthiest city in New York State in terms of both median home value (over \$1 million) and median income (\$155,422). White Plains and New Rochelle also have relatively high home values. By comparison, cities further north in the region, such as Newburgh, Poughkeepsie and Middletown, are often poorer, both in income and property value.

Figure 8

### Demographic Indicators, Mid-Hudson Region Cities

	Beacon	Kingston	Middle-town	Mount Vernon	New Rochelle	New-burgh	Peekskill	Port Jervis	Pough-keepsie	Rye	White Plains	Yonkers
Population (2015)*	14,347	23,436	27,812	68,628	79,846	28,290	24,043	8,609	30,371	16,046	58,459	201,116
Population growth 2000-2010**	12.6%	1.9%	10.6%	-1.6%	6.8%	2.1%	5.1%	-0.4%	9.6%	5.1%	7.1%	-0.1%
Population growth 2010-2015*	-7.7%	-1.9%	-1.0%	2.0%	3.6%	-2.0%	2.0%	-2.5%	-7.2%	2.1%	2.8%	2.6%
Persons per square mile*	3,027	3,129	5,475	15,633	7,715	7,445	5,502	3,403	5,909	2,743	5,984	11,167
Median age	38.7	39.1	33.5	37.3	38.7	28.1	38.5	36.7	35.5	41.3	38.1	38.1
White persons	65.8%	73.2%	48.3%	24.2%	65.5%	35.4%	42.0%	77.1%	46.8%	89.8%	61.3%	56.7%
Black persons	19.0%	16.3%	21.5%	63.8%	19.2%	31.0%	24.2%	10.0%	34.9%	1.0%	11.7%	16.9%
Asian persons	1.6%	1.7%	3.6%	2.1%	4.0%	0.7%	3.8%	2.9%	2.4%	5.5%	6.7%	6.9%
Persons reporting two or more races	5.7%	6.8%	4.1%	3.8%	3.7%	4.1%	5.8%	6.5%	5.6%	2.1%	5.7%	3.3%
Persons of Hispanic or Latino origin	20.2%	15.2%	38.5%	14.7%	26.9%	49.3%	37.1%	8.3%	21.4%	6.0%	34.0%	35.6%
White persons not Hispanic	56.9%	63.2%	35.7%	17.7%	47.8%	19.7%	34.0%	73.3%	38.6%	85.4%	45.2%	41.0%
Foreign-born persons	11.8%	12.3%	21.0%	33.4%	28.2%	24.2%	27.5%	7.0%	21.8%	15.5%	32.2%	31.2%
Languages other than English spoken at home	19.3%	17.9%	37.3%	23.4%	37.8%	46.3%	36.0%	11.2%	22.9%	19.5%	44.2%	47.2%
Median household income	\$63,284	\$41,719	\$50,584	\$49,268	\$68,270	\$33,125	\$51,961	\$38,397	\$38,973	\$155,422	\$81,743	\$61,132
Bachelor's degree or higher	30.5%	21.6%	18.4%	27.3%	41.0%	11.2%	26.2%	17.4%	24.0%	73.9%	47.7%	30.7%
Owner-occupied housing units	51.0%	44.5%	51.1%	38.8%	49.8%	32.0%	50.3%	49.8%	38.7%	74.3%	51.5%	48.4%
Housing units in multi-unit structures	42.0%	51.1%	49.0%	70.1%	57.9%	63.4%	56.8%	41.8%	66.2%	28.9%	66.8%	69.7%
Persons per household, average	2.44	2.33	2.75	2.61	2.66	3.14	2.61	2.54	2.46	2.89	2.54	2.67
Median value of owner-occupied housing units	\$240,800	\$178,000	\$200,100	\$372,100	\$551,400	\$172,200	\$310,200	\$166,700	\$211,400	\$1,000,000+	\$507,800	\$394,500
Owner costs exceeding 30% of income	36.7%	37.6%	41.4%	48.6%	42.1%	43.3%	45.0%	36.3%	42.7%	33.7%	32.6%	40.8%
Renters costs exceeding 30% of income	51.7%	59.2%	54.7%	59.3%	57.1%	68.3%	59.2%	59.2%	60.1%	34.2%	52.1%	52.4%
Child poverty rate	18.9%	26.2%	31.8%	23.3%	14.5%	44.2%	22.5%	20.5%	33.6%	2.4%	15.2%	24.1%

Source: U.S. Census Bureau, all data is from the 2010-2014 American Community Survey except as indicated.

\* 2015 Population Estimates.

\*\* 2000 and 2010 Censuses.

Note: The median value of owner-occupied units in the City of Rye is over \$1 million, the U.S. Census' highest category.

# Fiscal Stress

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There are 25 entities in the Mid-Hudson Valley that are currently identified as being in one of three levels of fiscal stress by the Office of the State Comptroller's Fiscal Stress Monitoring System. The System measures levels of fiscal stress (difficulty in maintaining budgetary solvency) in local communities by applying each entity's reported annual financial information to a set of standard financial indicators. In the region, four counties, two cities, five towns, five villages and nine school districts are encountering stress according to the latest scores.<sup>6</sup>

The System also examines other factors that impede local revenue-raising capability. Generally, these factors are outside the direct control of local officials, although they provide valuable context as to some of the additional challenges facing certain communities. These "environmental" indicators include changes in property values, population trends, unemployment, graduation and poverty rates. Of the 25 fiscally stressed entities, 11 also show signs of notable environmental stress.

Rockland County, the towns of East Fishkill and Ramapo, the Village of Pomona and the East Ramapo School District have the highest fiscal stress scores in the region. Of the five, only the East Ramapo School District shows significant levels of environmental stress.

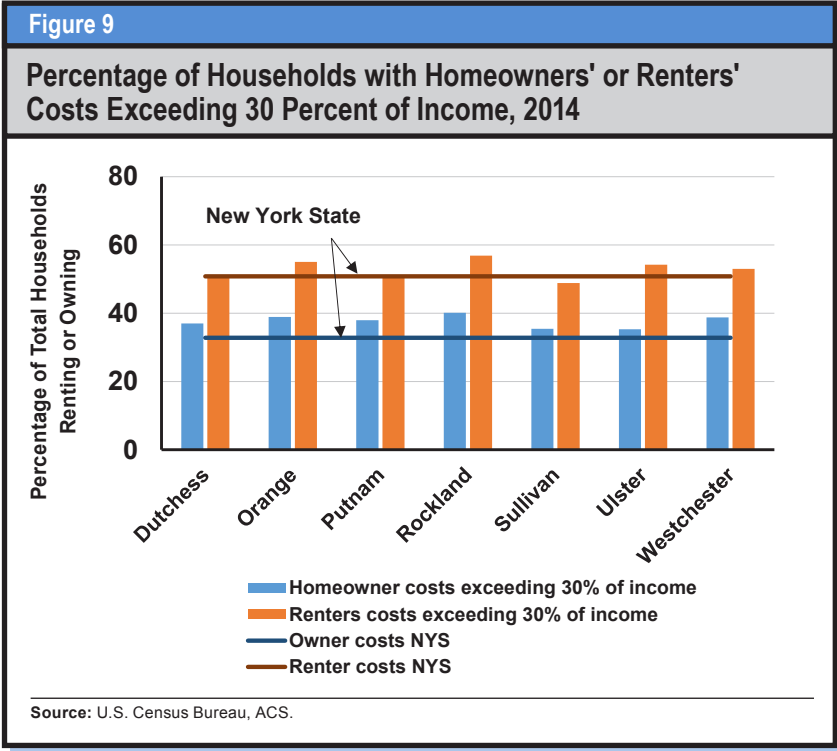
# Economy and Labor Market

## Cost of Living / Doing Business

Although much of the Mid-Hudson Valley has higher-than-average incomes and property wealth, the area also has a relatively high cost of living, which can be challenging for both residents and employers.

### Housing

As shown in Figure 9, the share of households spending more than 30 percent of income on homeowners' costs (including mortgage, insurance and property taxes) is above-average throughout the region. Rental costs represent an even higher share of household incomes, on average, because renters' incomes are typically lower.



### Taxes

Taxes per household in the Mid-Hudson region are also fairly high. Property taxes are among the highest in the State by some measures. In general, when property values are lower, as they are in Sullivan County, property tax rates may be higher in order to generate sufficient revenue to provide necessary services. In higher-wealth suburban areas, property values are higher, so the tax rate needed to generate tax revenue is correspondingly lower. However, these same areas tend to have a more comprehensive mix of services: in areas where houses are relatively close together, for example, public water and sewer systems tend to replace privately owned wells and septic systems, and solid waste disposal may be provided by local government as well. Local financial support for public schools is also typically highest in these areas. These contribute to high property tax bills in these areas, whether or not the rate is particularly high. And once all local services are added together, many Mid-Hudson residents have both high tax rates and high tax bills, especially in Rockland and Westchester counties.

Sales tax rates in New York State are a combination of the State's 4 percent rate and a local rate that is generally another 4 percent. Rates in most counties of the Mid-Hudson region, however, also include a Metropolitan Commuter Transportation District (MCTD) surcharge. This additional 0.375 percent helps to support the Metropolitan Transportation Authority's (MTA) railroads, ferries, bridges, tunnels and subways. The average statewide sales tax rate is reflective of overall high rates in the New York City metropolitan area: New York City's rate is 8.875 percent, and Nassau and Suffolk's rates are both 8.625 percent.

**Figure 10**

**Sales Tax Rates, 2016 and Effective Property Tax Rates and Median Bills, 2015**

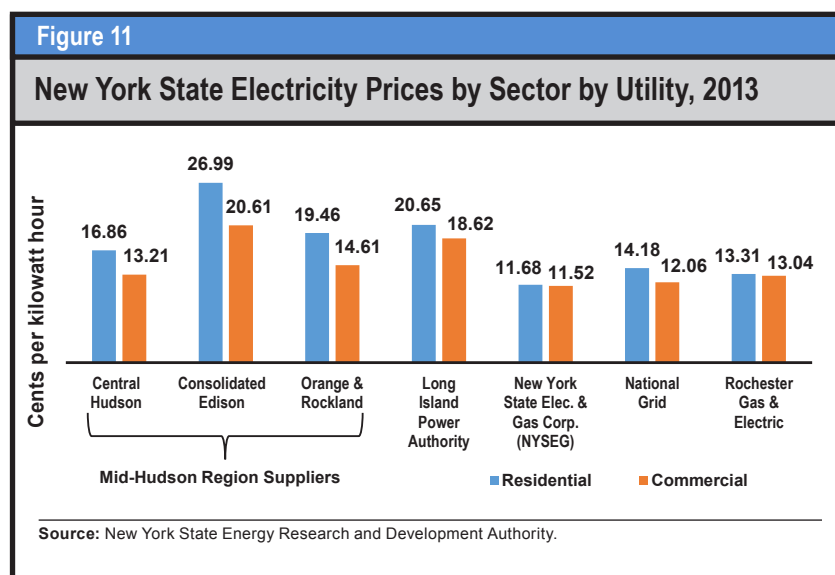
County	Sales Tax Rate	Effective Property Tax	
		Rate per \$1,000	Median Bill
Dutchess	8.125*	30.46	8,594
Orange	8.125*	38.20	10,255
Putnam	8.375*	33.84	12,264
Rockland	8.375*	38.23	16,226
Sullivan	8.000	37.77	6,376
Ulster	8.000	32.10	7,275
<b>Westchester - except:</b>	<b>7.375*</b>	<b>29.85</b>	<b>15,201</b>
Mount Vernon	8.375*	--	--
New Rochelle	8.375*	--	--
White Plains	8.375*	--	--
Yonkers	8.875*	--	--
<b>Statewide</b>	<b>8.450%**</b>	<b>\$28.84</b>	<b>\$8,181</b>

**Source:** OSC; New York State Department of Taxation and Finance; U.S. Census Bureau, ACS; The Sales Tax Clearinghouse.  
 \* Includes 0.375% imposed for the benefit of the Metropolitan Commuter Transportation District (MCTD).  
 \*\* Statewide sales tax rate is the weighted average of all counties and cities. Includes New York City and MCTD where relevant.

Income taxes are also affected in that certain employers and self-employed individuals in those counties are also subject to an additional payroll-based MCTD tax surcharge for the same purpose.<sup>7</sup> In addition, residents of the City of Yonkers pay the only local income tax in the State outside of New York City.

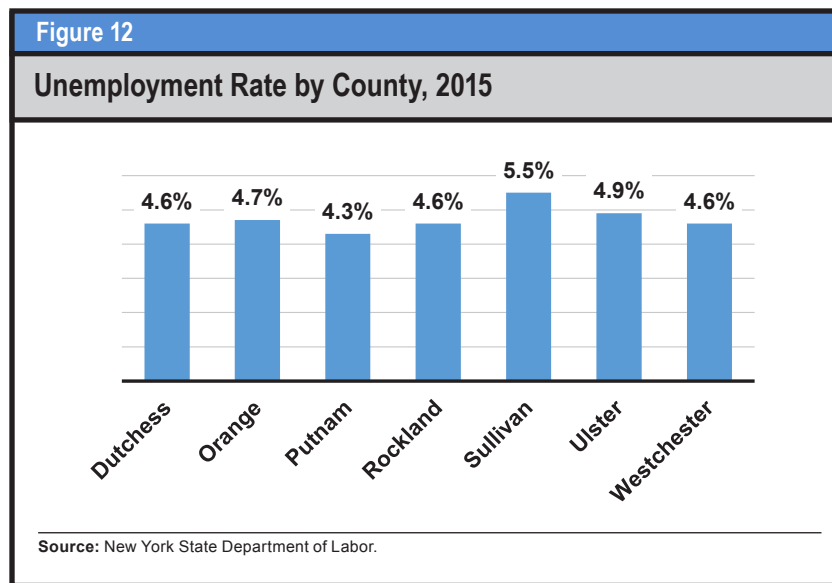
### Energy

As Figure 11 shows, electricity – a key residential and business expense – costs more in the region as well. As with taxes, these costs are similar to those in New York City and Long Island.<sup>8</sup>



## Unemployment

Region wide, annual unemployment rates have been dropping in recent years, moving from 7.6 percent in 2012 to 4.7 percent in 2015. Preliminary data show that unemployment was down even further, to 3.8 percent, by May 2016. As Figure 12 shows, Sullivan County had the highest unemployment in 2015, at 5.5 percent, while Putnam had the lowest, at 4.3 percent. The City of White Plains had the lowest unemployment of any city in the region, at 3.8 percent, while Newburgh and Mount Vernon both had rates just over 6 percent.<sup>9</sup>



## Commuting

Many Mid-Hudson Valley residents work outside of the region, either in New York City or just over the State border in New Jersey (especially residents from Rockland County). Figure 13 shows the most recent Census data on travel to work for counties in the region. The majority of workers in Putnam County commute to another county (at twice the rate of the second-highest counties by this measure), with their single most common destination being Westchester County.<sup>10</sup>

**Figure 13**  
**Travel to Work Information, by County, 2014**

County	Workers	Using Public Transportation	Work Outside County	Work Outside State	Mean Travel Time (minutes)	Commute of 1 Hour or More
Dutchess	139,708	4.9%	29.5%	3.7%	31.2	15.9%
Orange	170,035	5.1%	26.2%	8.0%	33.4	19.6%
Putnam	49,160	8.6%	62.4%	7.4%	39.1	23.1%
Rockland	141,339	8.6%	27.5%	13.5%	30.2	16.1%
Sullivan	31,356	1.9%	27.9%	3.1%	28.7	13.1%
Ulster	83,370	2.3%	31.4%	1.5%	27.8	10.4%
Westchester	450,146	21.3%	31.4%	6.2%	32.4	18.8%
Mid-Hudson	1,065,114	12.2%	31.1%	6.7%	--	--
New York State	8,950,165	27.5%	32.6%	2.6%	31.9	16.3%
State excluding NYC	5,189,761	6.5%	25.9%	2.3%	--	--

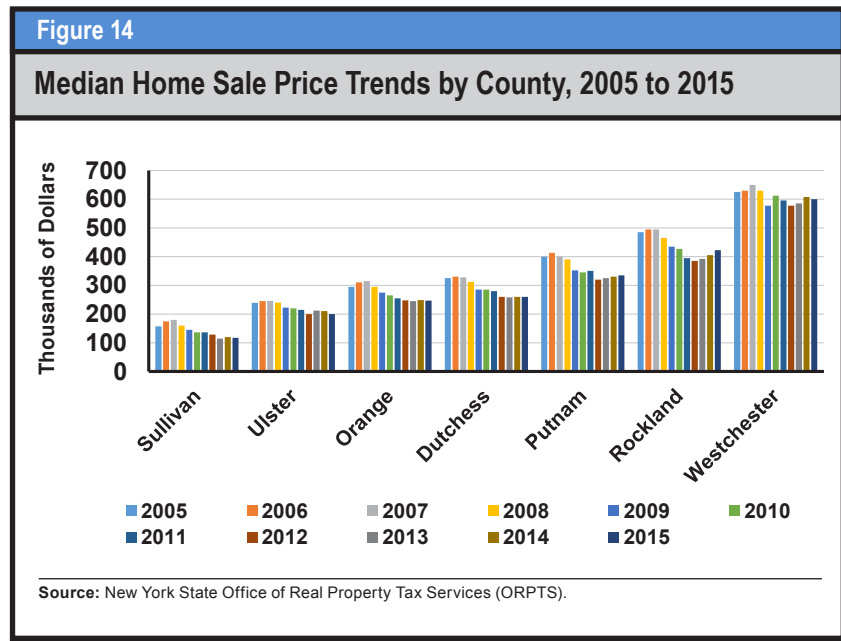
Source: U.S. Census Bureau, 2010-2014 American Community Survey.

## Home Values and Foreclosures

Mid-Hudson Valley home prices fell significantly during the 2008-2009 recession, and continued to drop for several years thereafter. Given the above-average homeownership rates in the region (62 to 83 percent compared with 54 percent for the State overall), this affected a correspondingly large number of people. As Figure 14 shows, prices have been recovering in Putnam, Rockland and Westchester counties since about 2012, but have either remained stable or continued to drop in other counties of the region.

The drop has been particularly steep and persistent in Sullivan County, where the 2015 median home sale price was nearly 35 percent below its 2007 peak.

Foreclosures, which spiked in the last recession, are still a problem in the region as well. In 2015, the rate of foreclosures (measured as the number of foreclosure cases expressed as a percentage of housing units) in the Mid-Hudson region was 1.5 percent, higher than any region other than Long Island (2.7 percent), and had increased by 18 percent since 2014.<sup>11</sup>

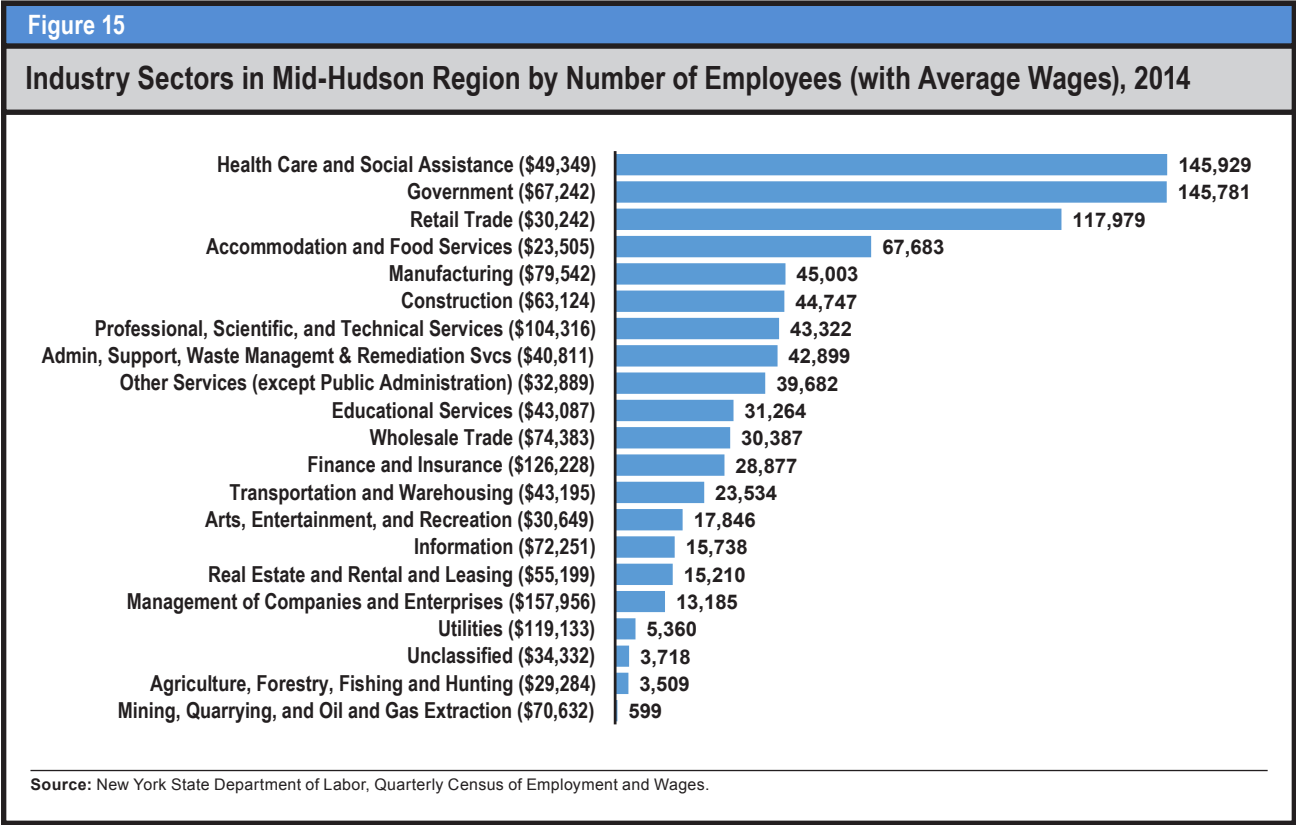


# Major Employment and Industry

Although many of its residents commute to New York City for employment, the Mid-Hudson region has many employers and industries of its own, employing 882,253 people as of 2014. Mid-Hudson employers paid an average annual wage of \$56,647, higher than any region in the State other than New York City.<sup>12</sup>

The largest private employers in 2014 included a mix of hospitals and other health care providers, big box and major grocery retailers, and higher education institutions: Home Depot, IBM, Marist College, Orange Regional Medical Center, ShopRite, Stop & Shop Supermarkets, Target, Vassar Brothers Medical Center, Walmart and White Plains Hospital Association.<sup>13</sup> Companies that have corporate headquarters in the region include: Archie Comics (Pelham), IBM (Armonk), ITT Corporation (White Plains), Mastercard (Purchase), Mediacom (Blooming Grove) and PepsiCo (Purchase).

Figure 15 shows employment numbers and average wages in the region for 2014 by major industry sector reported by the New York State Department of Labor.<sup>14</sup> As is true throughout the State, the health care and social assistance sector is a major pillar of the region’s employment. The demand for health care will likely continue to grow as the population continues to age. The average wage in this industry is somewhat below average, as it includes not only highly-paid professionals, but a larger number of low-wage positions, such as home health aides.



There are almost as many employees in the government sector as in health care and social assistance. These include public elementary and secondary school teachers and administrators as well as employees of the State University of New York (SUNY) in the region's two four-year institutions (SUNY New Paltz and Purchase) and six community colleges.<sup>15</sup> The number of educational services jobs dropped somewhat between 2009 and 2014, following the last recession, but the New York State Labor Department projects that employment in this industry will make a modest recovery, as the population continues to increase in many areas, and pressure on local budgets lessens.<sup>16</sup>

While manufacturing is still a major industrial sector in the region, it has seen a steady decline both in total workforce and number of employers over the past decade. Just over 45,000 people worked in the sector in 2014, down 31 percent from 2000. The only type of manufacturing job that is growing rapidly is food manufacturing: in this subsector, jobs are up 27 percent over the past five years, and employment is expected to continue to grow. However, these jobs are relatively few in number (6,100 in 2014) and lower-than-average in wages (\$48,900). By comparison, computer and electronic product manufacturing, which has relatively high wages (\$138,800), recorded losing 3,900 jobs (-27.5 percent) from 2009 to 2014.<sup>17</sup>

Construction jobs, which are numerous and relatively well-paid, had already rebounded by 2014, after dropping during the recent recession, and have grown by over 12 percent between 2014 and the third quarter of 2015. The Labor Department projects continued strength and growth in this sector for the next few years, due in large part to several major projects in the region. These include the building of the New New York Bridge (NNYB) to replace the aging Tappan Zee Bridge between Rockland and Westchester counties, and the Monticello-area casino and resort in Sullivan County.<sup>18</sup>

The professional, scientific and technical sector and the smaller finance and insurance sector pay some of the highest average wages in the region. The first of these includes many companies that sell their services to other businesses. Examples include law and accounting firms. The second includes back-office operations of several New York City financial institutions, including Morgan Stanley.

Transportation and warehousing, although neither particularly large nor high-paying currently, is a fast-growing industry for the region, particularly in Orange County, which has easy access to several major highways. The region is home to a growing number of big-box retailer distribution centers. Warehousing and storage – a subsector of transportation and warehousing – was up 45 percent between 2009 and 2014, and predicted to continue growing quickly.<sup>19</sup>



Other education-related jobs include those associated with private higher education institutions in the area. The region is home to many private colleges, universities and other institutions of higher learning, including Vassar College and the Culinary Institute of America.

The retail trade and accommodation and food services sectors provide many jobs in the region, although these tend to be less well-compensated than jobs in some of the industries noted above. Together with the smaller arts, entertainment and recreation industry group, these not only cater to local residents, but are an integral part of the region's tourism and cultural landscape. Regional attractions include many parks, notably Dutchess County's Walkway over the Hudson River and Rockland County's Harriman State Park. "Agri-tourism" is drawing people to the area for activities such as winery and brewery tours. Also popular are historic homes and museums, such as the Hudson River Museum in Yonkers, which is one of several venues in the region that feature natural landscapes by the 19th-Century Hudson River School painters. The Mid-Hudson region is also home to Bethel Woods Center for the Arts, an event venue and museum built on the site of the 1969 Woodstock Festival, and to West Point. Retail trade is part of the region's tourism industry: the Woodbury Common Outlet in Orange County has become a destination for foreign tourists visiting the New York City area, as well as a regional attraction.

# Looking Ahead

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The Mid-Hudson Valley region has a number of strengths, including its proximity to New York City, extensive infrastructure and an educated population. These factors give it a strong base from which to grow, and new projects continue to take advantage of these strengths. However, the region has a number of challenges that will have to be addressed in the process. Many of its water and wastewater systems are aging, and energy issues remain important topics of debate, as do increasing pressures on transportation systems.

## Economic Development Projects

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Publicly-funded economic development initiatives in the region are a mix of various organizations' efforts, including a number of State, local and not-for-profit entities. The region's 19 Industrial Development Agencies (IDAs) include seven county IDAs and 12 more that are associated with a specific city, town or village. IDAs are able to offer businesses various tax incentives to develop or expand in an area. In 2014, Hudson Valley IDAs reported supporting 473 projects in the region.<sup>20</sup>

Local efforts to spur economic development have centered largely on bolstering existing strong industries, like health care and retail distribution centers, and trying to encourage new niche industries, such as biotechnology.

Health care projects include planned expansions to Vassar Brothers Medical Center in Poughkeepsie and Westchester Medical Center at its Valhalla campus in Westchester County. Private investors are also planning construction of a \$1.2 billion Westchester BioScience and Technology Center in Valhalla near Westchester Medical Center and New York Medical College.<sup>21</sup>

Several distribution centers are being developed in Orange County, including two separate multimillion dollar centers currently being constructed in Goshen and Newburgh, with a third in the planning stage. Also in Orange County, Middletown will receive a \$10 million Downtown Revitalization Initiative Grant to spur economic development.<sup>22</sup>

Several tourism destinations are being developed in the region as well. The \$1.3 billion Montreign Resort Casino and Adelaar, an entertainment resort complex, which will include a golf course and indoor water park, is expected to be completed by early 2018. Another Sullivan County project – the Veria Lifestyle Wellness Resort – has also broken ground. Meanwhile, developers have chosen Goshen for the site of a LEGOLAND Theme Park – an estimated \$500 million investment – although local discussions continue about the potential impact of a project of this size.<sup>23</sup>

As New York City real estate prices continue to rise, private investors are redeveloping property in downtown Yonkers, especially in the waterfront district, with a series of new high-rise residential and commercial towers targeting the Millennial population.<sup>24</sup>

## Infrastructure Planning

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The region has an extensive highway network, as noted above. The largest single infrastructure project is the \$3.98 billion NNYB. The new bridge will feature cashless tollbooths to allow drivers to pay tolls at highway speeds, as well as pedestrian and bicycle access. Construction is expected to be completed in 2018.<sup>25</sup> Aside from this project, however, a recent survey of local officials indicates that they have more general transportation concerns, particularly about the maintenance of local roads and bridges.<sup>26</sup>

Water infrastructure has become a major issue in the region, of particular concern in Rockland and Orange counties, as their populations continue to grow and concerns over local water sources arise. The New York City aqueducts are a solution in some cases. However, access typically requires new treatment and transmission infrastructure, which together with a charge for water consumption, may be a costly option for localities. Rockland County residents rely largely on water supplied by a single private company, whose officials are calling for water conservation.<sup>27</sup> Recent major water and wastewater infrastructure investments include State water grants in Dutchess, Orange and Sullivan counties through the State Environmental Facilities Corporation and Empire State Development, and a substantial water and sewer infrastructure improvement in the City of Newburgh to support the development of an industrial park.<sup>28</sup>

Energy prices, generation and transmission are important issues in the region. Many Mid-Hudson power plants are several decades old and are facing retirement. The Indian Point Energy Center nuclear power plant in Westchester County, which produces roughly 25 percent of the electricity used in Westchester and New York City, is over 50 years old and debate continues regarding its future.<sup>29</sup> The four-state Algonquin natural gas pipeline is currently planned to expand through Putnam, Rockland and Westchester counties, prompting some opposition in the local community.<sup>30</sup>

Stewart International Airport in the Newburgh area of Orange County has had a complicated history. A former U.S. Air Force base, Stewart is now a joint civil-military airport serving the New York City area. However, it has never had traffic rivaling that of Kennedy, LaGuardia or Newark airports, and ridership is down nearly 70 percent since the last recession.<sup>31</sup> Multiple plans to expand the airport have encountered difficulties in the form of local opposition to development, poor timing and other issues. Most recently, there has been a proposal to use Stewart as a cargo hub. However, Pattern for Progress – a policy and planning group in the Hudson Valley – notes that commercial airlines frequently transport passengers and cargo at the same time. The major metropolitan area airports have the advantage of frequent flights to meet this need. An alternative use may be as a fulfillment center for a single major retailer.

Moving ahead, the region's infrastructure challenges include funding for upgrading and expanding existing assets while achieving the desired balance between economic growth and quality of life. Stakeholders, ranging from local residents and businesses to the State and federal government and international corporations, are actively engaged in helping to shape the region's future.

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- <sup>6</sup> For more on the Fiscal Stress Monitoring System and latest scores for local governments, please see [www.osc.state.ny.us/localgov/fiscalmonitoring/index.htm](http://www.osc.state.ny.us/localgov/fiscalmonitoring/index.htm).
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- <sup>12</sup> All industry and wage data from: New York State Department of Labor and United States Bureau of Labor Statistics, *Quarterly Census of Employment and Wages*. The most recent full year of data available at time of publication was 2014.
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