

ECONOMIC DEVELOPMENT TASK FORCE FINAL DRAFT REPORT
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TASK FORCE CHAIRS

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VISION:

Our vision for economic development in the Hudson Valley includes a region where towns and cities are open for business twenty-four hours a day to create more vibrant, multi-dimensional local economies. The River is used to its full capacity as a corridor for commerce, transportation, recreation, open space, and habitat protection. A “Green Corps” (like the Civilian Conservation Corps) thrives, and high school students spend a year working in green volunteer jobs. The majority of the population either lives within 10 miles of work or takes public transportation to work; and improved Valley towns attract businesses and jobs to the region.

The practice of economic development has aided this revitalization by working systemically to overcome barriers and build on our assets, taking advantage of clusters of opportunity in geography, infrastructure, industries and talent.

The Hudson Valley will do this by focusing on expanding tourism, strengthening connections to New York City, establishing Waterfront Redevelopment Zones, creating agribusiness opportunity zones, growing the region’s knowledge economy and advocating for tax and regulatory reform in Albany that supports economic development. These topics were chosen for their economic development potential and because they are socially relevant. Furthermore, they are possible to accomplish as private/public

initiatives. The enactment of these policies will require local policy leaders to overcome political hurdles and the dysfunctional policy making process in Albany.

PROPOSITIONS: *(Click on each proposition below to read more and comment.)*

1. STRENGTHEN THE ACCESS OF VALLEY BUSINESSES TO NEW YORK CITY MARKETS

Challenge: With a regional economy composed of thousands of small businesses and few large ones, the Hudson Valley suffers from the lack of a coordinated system to get its goods to market. The largest market, of course, is the New York City metropolitan area. Accessing this market has administrative costs for every business that tries, and intangible costs in the form of upstate-downstate friction. Several industries – food and tourism, for example – have made some headway in accessing the New York City market, but these ad hoc efforts have not been adequate.

Working with the Empire State Development Corporation, create within its New York City office a special unit solely for the purpose of Upstate doing business with Downstate to link HRV business with NYC markets and resources, perhaps as a demonstration region for replication around the state. Suggested responsibilities of this office are as follows:

- Organize across industries including tourism (entice City residents to visit upstate attractions); agriculture (e.g. selling healthy foods to the New York City school system); emerging energy technologies (innovative solar and wind companies in the Valley).
- Link to New York City venture capitalists.
- Link back offices for FIRE and other industries in the Valley.
- Consider private funding sources to avoid implications of favoritism on the part of state agencies.

2. PROMOTE TOURISM TO VISITORS AROUND THE WORLD BY SHOWCASING THE HUDSON RIVER VALLEY AS A WORLD CLASS DESTINATION

Challenge: The Hudson Valley is New York's third highest draw for tourism dollars into the state, after New York City and Long Island. This \$4.7 billion dollar business is the

result of a patchwork of local and sectoral efforts, without a fraction of the regional coordination that could be developed. In spite of its scale, the industry lacks clout in the absence of a concerted regional effort. Small businesses struggle to grow and many natural and cultural attractions are poorly maintained. The rich assets of the Valley are not linked in a regional system that can connect tourists with destinations, activities and resources in a coherent way, so the promise of the place is not met.

Create a system for tourism development that builds capacity and resources

- Market a “Follow the River” brand as a unifying theme with funding for marketing and capacity building. The brand will draw people to the outdoors, arts, culture, commerce and downtowns.
- Create transportation links to railroads (i.e. shuttles and buses, appropriate parking, bicycles, zipcars).
- Establish transportation links and access to river. These links could include new docking for sightseeing boats, river recreation, etc.
- Cultivate cross-marketing sites, such as restaurants, hotels and main streets to increase tourism visitation.
- Expand partnerships with Hudson Valley Tourism to include regional tourism, development, and business groups.

Create "Hudson River Valley & Co.," a regional Destination Marketing organization, in cooperation with and a complement to Hudson Valley Tourism (HVT), Hudson Valley Greenway, and Hudson Valley National Heritage area.

- A non-profit membership organization to engage the private sector.
- To work to build the infrastructure, for example, required for such things as waterborne tourism i.e. the eco-docks program, etc.
- To complement the efforts of HVT to work with New York City, Ontario, Quebec, Mohawk Valley, and Champlain Valley.

Preserve, maintain and enhance the historic and natural assets of the Hudson Valley.

- Develop funding mechanisms to preserve and maintain historic sites, and restore natural assets that can enhance quality of life and place.
- Integrate with the overall community planning process.

Develop short-term strategy to support existing businesses and a long-term strategy to attract a program of assistance and support for businesses in the industry here now, and for attraction of appropriate businesses that fit with the Valley's strategy and culture.

- Offer financing advice and assistance.
- Provide space and relocation services.
- Support new businesses with community orientation, welcoming, contacts and information.

Develop an international tourism brand

- Translate the brand to varied audiences, taking advantage of the relationships that arise from the Quadricentennial's connections with Europe, as well as international connections such as the Countryside Exchange, and the linkages of trade and expertise in the priority industry clusters such as agriculture (agritourism) and green technology.
- Funding is obtained from new creative sources for marketing, multilingual guidebooks and attending international trade fairs.
- Link for innovation, conferences, and knowledge exchange connecting the recreation/ tourism world with other dimensions of economic & cultural development

3. ESTABLISH A NEW PROGRAM OF “WATERFRONT DEVELOPMENT ZONES” TO REVITALIZE FORMER WATERFRONT INDUSTRIAL SITES

Challenge: The Hudson Valley's riverfront settlements lack the population density and economic vitality to attract and retain businesses, support culture and an innovation economy. Now that priority growth areas have been established by a number of counties, there is a need to invest in concerted development of those areas.

Develop a program to create new waterfront development zones, open by application to any municipalities with previously developed waterfront space., i.e., Beacon and Newburgh waterfronts should be given the ability to create projects like Scenic Hudson's, Transportation Organized Development, and more to make them new destinations that can breathe life into the rest of the city.

- Involve a team of environmental leaders and developers in setting the criteria, application processes, benefits, and administration.

- Create a system of incentives for developing in these zones, starting with expedited reviews.
- Encourage the highest appropriate density.
- Work with state agencies such as the Department of State's Coastal Program and the Hudson River National Estuarine Research Reserve to establish regulations making it difficult to develop in previously undeveloped or ecologically sensitive waterfront areas.

Establish [an] economic development zones in downtown Poughkeepsie and Highland around the entrances to the Walkway over the Hudson

- Combine with access to Metro-North and Amtrak, buses and ferry-based transportation. Ferry to be accessed by new river access from the land.
- With specific proposals, scale and approach determined by local stakeholders, new uses could include:
 - Educational facilities
 - Housing
 - Restaurants serving local food products
 - Green manufacturing facilities and appropriate manufacturing producing infrastructure
 - Hotels that link tourists to local attractions such as the Culinary Institute of America, Vanderbilt Mansion, FDR's home, Walkway Over the Hudson etc.
- Use Empire State Economic Development Zones as model for this district. The district should satisfy a range of economic development and other social goals, including: transportation, education, increasing production of local products, green jobs. Using the best practices for smart growth, these districts will exploit the development synergies between the Walkway Over the Hudson and its adjacent neighborhoods
- This model should be perfected and used in other urban areas in the Hudson Valley.

4. CREATE AGRIBUSINESS OPPORTUNITY ZONES

Challenge: A primary hurdle to developing the State's agricultural sector is meeting the job count requirements of the State to trigger state supported financial assistance. Despite the Empire State Development Corporation's interest in working with the agriculture industry, the agencies current focus is assistance to expanding or developing new food processing plants. Even though a food plant is a large employer, a study from Cornell University demonstrated that for every job created at a food processing plant, 4.72 jobs supporting that job are created down the food chain. Most of these jobs are distributed throughout our local rural communities in the form of support industries, supply companies and production agriculture jobs.

Today, New York's agricultural industry earns more than \$3 billion at the farm gate and \$40 billion when entire food and agriculture system is counted. Despite these numbers, there is significant potential for growth in the production and processing/ manufacturing sector. The State's rich soil and water resources and its close proximity to New York City positions our agricultural industry strongly. With assistance in the form of an Agribusiness Opportunity Zone, New York's potential as a major agricultural economy could be more fully realized.

Create incentives for market expansion for New York agricultural commodities by providing Empire Zone type benefits to companies that purchase raw agricultural commodities produced in New York.

- Design a benefits package for “Agribusiness Opportunity Zones” modeled on the existing Empire Zones structure.
- Qualifying characteristics should include some job creation factors. More importantly, they should also require the purchase of a substantial portion of their raw agricultural inputs from New York farmers. Benefit levels could be tied to the overall percentage of raw agricultural inputs purchased from New York farmers.

Engage a wide range of industry stakeholders in refining and approving this program, and create a level of visibility that sends an unmistakable signal to state government on the importance of the agricultural industry.

5. ADVOCATE FOR A STABLE, UNDERSTANDABLE STATE TAX STRUCTURE AND A REGULATORY PROCESS THAT IS NOT UNNECESSARILY ARDUOUS.

Challenge: Societies require taxation and meaningful regulatory laws in order to function. The challenge is finding the right balance that will allow for economic development. Currently, as a result of a complex, inequitable and arbitrary tax system and a costly, sometimes legalistic environmental review process, it is unnecessarily difficult to make a reasonable assessment of the risks or benefits of locating a business in New York.

Advocate for a more equitable, efficient and effective system of taxation and regulation for business.

- Call on the Governor to establish a bi-partisan commission to make recommendations that simplify tax structures in an equitable manner for businesses in the state.
- Continue, strengthen, and implement the collaborative process to streamline the State Environmental Quality Review Act under the leadership of Patterns for Progress and the New York Department of Environmental Conservation.

- Establish the Hudson Valley as a model region that is willing to test innovations in policy and development strategy, and work to secure funding for technical assistance for such efforts wherever possible.

6. CONNECT EDUCATION, RESEARCH, TECHNOLOGY COMMERCIALIZATION AND ECONOMIC DEVELOPMENT, TO GROW THE REGION'S KNOWLEDGE ECONOMY

Challenge: The Hudson Valley is a polycentric place without a major research university, mature technology center, or similar magnet for innovation and enterprise. We have an abundance of talented entrepreneurs, executives, and innovators, but they are not economically or civically engaged. College and high school graduates migrate to urban areas outside the Valley, resulting in a local brain drain.

This challenge can best be met by mobilizing expertise in a broad spectrum of innovation industries - especially in the green economy - by creating a network of centers that connect professional and technical talent, and centers of learning and research, with communities and businesses.

Develop, retain and attract a high-value-added work force (employees and entrepreneurs), especially recent graduates

- Develop amenities for knowledge workers in local communities (strengthen public libraries, public access cable TV, WiFi zones, etc.)
- Establish talent retention strategy for recent grads. These might include creating live-work spaces near campuses, expanded internship programs, partial student loan forgiveness for graduates living near campus.

Close the gap between learning and working, to reduce the “brain drain” of talented people leaving their jobs to advance their careers

- Create a regional “green corps” for high school students to access quality summer jobs in green industries, and expand the presence of Americorps as a pathway for post-graduate work experience. This will allow the private sector to work with public organizations.
- Develop hands-on training opportunities in clean energy, green building, etc. through community college system in partnership with communities making green commitments.
- Expand access to workplace-based graduate/ professional training, working with prominent national and international degree programs and mobilizing Hudson Valley faculty as co-advisors.

- Market e-learning opportunities and create support groups of adult learners through the community college Continuing and Professional Education programs.

Enhance performance and expand the markets for green technologies that do not yet have institutional support.

- Create a system of applied research and technology commercialization in one or more centers of excellence in green industries that have not been supported by New York State. Candidates may include smart grid, green infrastructure and sustainable water management, building renovation and historic preservation technologies.
- Conduct a feasibility study for a green incubator in conjunction with SUNY system by taking advantage of the SUNY strategic planning process currently underway.
- Create an online communications platform for green innovators in universities, research centers, etc. around US and Europe to interact with Hudson Valley initiatives

Expand the funding for priority industry sectors

- Work with investors and foundations to develop specific “patient capital” investment resources for high-value-add, long-timeframe innovations in technology and business strategy.

PLEASE NOTE: The future of the Hudson Valley is important to many constituents and stakeholders. This document is a compendium of ideas from many different individuals and organizations. It should not be construed that each participant supports each and every one of the ideas; no formal votes have been taken. It is the intention of the report, like all the reports from the six task forces, to stimulate further discussion and to contribute to the balanced growth of a region we all cherish. In addition there are economic development issues that remain to be discussed and will be added to this report in the future.