

THE NORTHERN DUTCHESS ALLIANCE
PRESENTS

BLUEPRINT FOR ECONOMIC DEVELOPMENT

BUSINESS STRATEGIES AND OPPORTUNITIES
FOR A HEALTHY NORTHERN DUTCHESS ECONOMY



PREPARED BY: ANN DAVIS, MARIST COLLEGE ■ MELISSA EVERETT, SUSTAINABLE HUDSON VALLEY
MICHAEL H. SHUMAN, TRAINING & DEVELOPMENT CORP.

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The map shows the general area known as Northern Dutchess County. Currently participating municipalities include the Towns of Clinton, Hyde Park, Milan, Pleasant Valley, Red Hook, Rhinebeck and Stanford, and the Villages of Red Hook, Tivoli and Rhinebeck.

The Blueprint for Economic Development has been an ongoing effort and is made possible with the assistance of the Village of Tivoli and the New York State Department of State. Northern Dutchess Alliance also thanks the many local, county and state officials, business groups, community organizations and countless volunteers who contributed to the Blueprint. The ongoing work of Northern Dutchess Alliance is made possible through the participation of member communities and organizations, and our greatest asset, the people of Northern Dutchess. We thank everyone who contributed and look forward to continued partnerships as we move forward.

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EXECUTIVE SUMMARY

THE MISSION OF the Northern Dutchess Alliance (NDA) is to foster the creation of a long range plan for regional cooperation and economic development. This mission is accomplished through several mechanisms, including the creation of this *Blueprint for Economic Development*. Working with various partners including the New York State Department of State, who provided funding, and Sustainable Hudson Valley who provided technical assistance, the NDA supports a local economy that raises the well-being for all residents where to the greatest extent possible:

- local needs are met by local suppliers
- dollars spent locally are circulated throughout the community, decreasing dollars spent outside the community
- encourage the development of value adding industries for local products which complement the community's character, *and*
- the community's uniqueness is preserved and enhanced

The NDA, through extensive public outreach and research, believes this vision for a sustainable local economy is achievable and desirable for the region. It is consistent with all of our member communities planning documents and it places the emphasis on locally led initiatives. The *Blueprint* ties together regional planning efforts of the NDA for the past six years and advocates for community economic development which is founded on the principles of collaboration, an investment in people, responsibility, and a commitment to an on-going, holistic process.



RHINEBECK'S GIGI MARKETPLACE PROVIDES A RETAIL OUTLET FOR LOCALLY GROWN AND MANUFACTURED PRODUCTS.

The compilation of the information gathered by the NDA led to the development of the following guiding principles to plan future growth in the region. These principles were articulated in the Countryside Exchange effort conducted by the Glynwood Center, and in the Strengths, Weaknesses, Opportunities and Threats exercise conducted by the NDA. These principles form the basis of the decision to encourage not simply economic development in our communities, but *community economic development* which promotes the advancement of existing economic assets rather than a traditional approach of searching for economic development from the outside to bring into the community.

1. RESTORE, PRESERVE AND PROTECT NATURAL AND CULTURAL HERITAGE
2. SUPPORT AND PROTECT THE NEEDS OF LOCAL FARMERS AND FARMS
3. ENCOURAGE ECONOMIC DEVELOPMENT FOCUSED ON BOTH
THE RESIDENT AND THE TOURIST
4. PROMOTE REGIONAL AND LOCAL TOURISM
5. ENCOURAGE SMART GROWTH PRACTICES IN REGIONAL LAND USE
6. IDENTIFY HAMLET, VILLAGE, AND TOWN CENTERS

WHO DEVELOPED THE *BLUEPRINT*

The NDA understands the strong commitment to home rule and the individuality of each community in the region. The research and information that went into the *Blueprint* and the concepts and ideas that come out of it are all the product of a wide cross-section of business and government leaders from throughout the Northern Dutchess region.

WHAT YOU WILL FIND IN THE *BLUEPRINT*

The *Blueprint* is a practical guide for drafting a unique community development action plan along with potential business opportunity ideas that are consistent with the *Blueprint*'s guiding principles and reflect the unique needs of an individual community.

SECTION 1—INTRODUCTION: explains Community Economic Development, and the background behind the approach including Glynwood's Community Exchange, a SWOT analysis for the region and a set of guiding principles for future efforts by the NDA.

SECTION 2—THE FRAMEWORK FOR ASSET-BASED COMMUNITY DEVELOPMENT:

an overview of the Asset Based Community Development methodology, including organizing strategies that identify the people, institutions and associations in the community. There is a discussion of the importance of building relationships and strengthening connections between the communities' assets. Importantly, there are steps for developing a community vision and an action plan to implement the vision.

SECTION 3—NORTHERN DUTCHESS FIRST: an economic analysis of the region with strategies that promote locally owned and import substitution (LOIS) businesses. This analysis provides a starting point for identifying and promoting businesses which support the region and a set of policies that communities can consider adopting.

Additionally, the *Blueprint* offers tips for success, challenges to consider and a set of analytical tools communities can use to gather basic economic data to aid in decision making. Throughout the document, the *Blueprint* offers case studies of successful economic development models in the Hudson Valley.

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SECTION I : INTRODUCTION

THE NORTHERN DUTCHESS ALLIANCE (NDA), through a New York State Department of State grant, presents the *Blueprint for Economic Development*. The *Blueprint*, much like Dutchess County's *Greenway Connections*, is designed to be a tool for a community to get started or enhance their current efforts in Community Economic Development (CED).

The NDA has adopted a broad definition of community economic development as follows: *An organized effort by a public or nonprofit group—or in partnership—to enhance the overall quality of life for the NDA region by building on the region's assets, strengths and opportunities to create a sustainable local economy for all of its residents.* Simply put, a sustainable local economy is one that raises the well-being for all residents where to the greatest extent possible:

- Local needs are met by local suppliers
- Dollars spent locally are circulated throughout the community, decreasing dollars spent outside the community
- Encourage the development of value-adding industries for local products which complement the community's character, *and*
- The community's uniqueness is preserved and enhanced



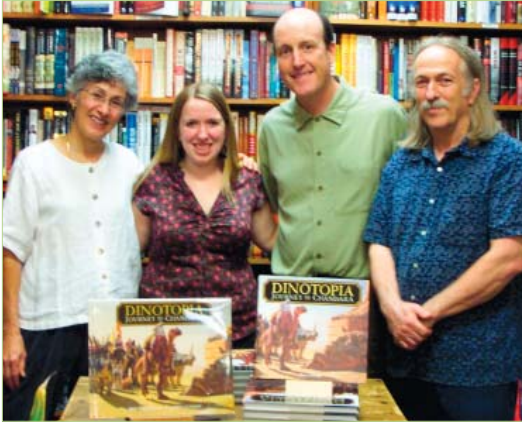
SMALL LOCALLY OWNED AND OPERATED BUSINESSES ARE AT THE HEART OF A VIBRANT NORTHERN DUTCHESS ECONOMY.

PRINCIPLES OF COMMUNITY ECONOMIC DEVELOPMENT

Within the organization of the NDA is the fundamental principle that each community within our region is a unique entity with the knowledge, talent and ability to make decisions that foster their sense of place. An inherent characteristic of CED which distinguishes it from conventional economic development is the concept of a geographic boundary or the borders of a community. Conventional economic theory is based upon the premise of free movement of labor and capital. The notion of community does not exist in the conventional theory and in fact may impede the flow of goods and services. It is important for users of this *Blueprint* to note the focus is not solely on economic development theory, but rather Community Economic Development.

To further the understanding of CED, the following general principles guide CED:

- **COLLABORATIVE PROCESS:** a community is comprised of various sectors, both public and private including non-profits and for-profit educational institutions (quasi-public), working in partnership to advance the goals and objectives. For CED to be a success all community stakeholders need a voice, especially groups which may have been “marginalized” in the past public processes.



OBLONG BOOKS' (IN MILLBROOK AND RHINEBECK) SUPPORT FOR LOCAL AUTHORS IS GOOD FOR BUSINESS AND FOR THE OVERALL ECONOMIC WELL-BEING OF THE LOCAL COMMUNITY.

- **ON-GOING PROCESS:** CED is really a formal term for what most of our communities currently do in an informal manner. It is a long-term *organized* process which identifies goals and re-evaluates those goals and objectives as time passes. CED is not static and it does not happen overnight. It will take time and commitment from the people within the community to sustain a lasting effort.

- **INVESTMENT IN PEOPLE:** this is the key to the success of any CED program. All our local leaders understand the value of community volunteers. CED advocates for identifying ways to help develop or train community members to be successful in their efforts.

- **RESPONSIBILITY:** CED recognizes there needs to be accountability to:

- *Residents:* outcomes need to enrich the lives of our young, old, wealthy, poor, minorities and majorities.
 - *Environment:* consideration must be given to the decisions we make today and the effect upon natural resources for future generations. Will we leave them with clean air to breath and clean water to drink?
- **LOCAL HOLISTIC FOCUS:** CED provides consideration for the social, economic, cultural and natural resources. The approach is simply not to better the “monetary bottom line” but rather to expand the bottom line to include all aspects of community. It is not a piecemeal approach, but a comprehensive look at assets and strengths which can be enhanced, promoted and designed to accomplish community-wide goals.

BACKGROUND INFORMATION

The *Blueprint* builds on an extensive research, data collection and public outreach effort made primarily through two venues. The first, a Countryside Exchange, took place in the fall of 2000. Through a partnership with the Glynwood Center, the NDA hosted a team of professionals with expertise in the areas of economics, international business, public administration, landscape architecture, planning, agriculture, cultural heritage, greenway trails, and historic preservation. The team spent an intensive week long interaction in the northern Dutchess municipalities.

The team was asked to address four broad areas: Natural and Cultural Heritage, Agriculture, Economic Development, Land Use/Acceptable Growth and Community Involvement.

The second effort, a Strengths, Weaknesses, Opportunities and Threats (SWOT) analysis was conducted by the NDA in the fall of 2002. This was an exercise where the members of the NDA and associated organizations had a chance to categorize their views of the region into one of the four SWOT categories.

These activities underscore the importance of understanding the forces that need to be balanced. The proximity to the New York Metro area offers economic opportunities as well as influx of visitors and future residents. As the region struggles to protect the resources that it values while accommodating future growth, the municipalities will come under increasing pressure to gauge the impact on the perceived quality of life and act upon it. This theme resounds in both the Countryside Exchange and the SWOT.

The key to achieving a successful region will be the efforts made by our member communities to understand the connections, to cooperate inter-municipally and to identify solutions that benefit the region as a whole.

THE GLYNWOOD COUNTRYSIDE EXCHANGE

The focus of many recommendations in the Countryside Exchange emphasizes the need to establish working relationships with the organizations that have an interest in the region, encourages the municipalities to collectively organize data on natural and cultural resources, and proactively review zoning and planning issues. The connections of people and places in the landscape are important for community leaders to understand and foster. These recommendations are numerous and are presented by topic area.

Glynwood's complete Countryside Exchange report is available online at http://glynwood.org/resource/ex_reports/00NDA.htm

Importantly, the report identifies key observations about the region that play a crucial role in defining the future of the area. The following observations are excerpted from the report were selected because they captured the essence of the region:

REGIONAL ISSUES

- *The natural and cultural heritage of the area defines it in a very strong way. Understanding this significance is critical to managing change so that it does not threaten the integrity and the very attractiveness of the area.*
- *The proximity of the Northern Dutchess County communities to the New York metro area, ensuing strong development pressures, has an impact on farming and wider land use issues, including economic development.*
- *The majestic Hudson River, the historic country estates, quaint villages and hamlets, productive agricultural fields interspersed with woodlands, and the scenic roads and pathways that connect them define the character of the region, and make it a good place to live.*

DEVELOPMENT PATTERNS

- *Another important historic resource in the region is the still existing settlement pattern of villages and townships; this in contrast to neighboring communities to the south identified by typical “sprawl” patterns.*

AGRICULTURAL ISSUES

- *A significant amount of agricultural land has been lost to development and the residual is mostly covered with secondary growth woodland, however there is still a perception that the County is primarily an agricultural region.*
- *Even though traditional farming has significantly diminished, there are still some farmers who have managed to “buck the trend” and survive.*
- *In summary, agriculture generates significant public good by managing open spaces and producing environmental, conservation, heritage and broader economic benefits. Farmers, however, do not receive any payment for those benefits.*

GOVERNMENTAL ISSUES

- *The region lacks a cohesive identity and many residents view growth as either all good or all bad. At all levels of government—village, town and county—there is evidence of a disconnect between policy and implementation.*
- *The region needs to establish consistent intermunicipal policies; all municipalities must consider regional impacts of social, political and fiscal proposals on the environment.*

COMMUNITY ISSUES

- *Young people and “weekenders” are often not involved in their Dutchess communities.*

On the subject of economic development, the Countryside Exchange focused its recommendations primarily on the expansion of tourism and on planning issues related to development of residential and commercial projects. The report notes the agricultural and service sectors of the economy are “precarious” while residential and commercial real estate are expanding. There has been a shift in the commuting patterns from people traveling to an office to more home occupations. As economic growth brings jobs and vitality, there is also a tension created between the goal to keep the town’s rural character and the need for more affordable housing, retail, office and infrastructure improvements. The Exchange Team believed tourism is the primary industry in the region, yet it is “undersold.” The challenge of protecting the significant natural and cultural resources while promoting the area as a tourist destination is a hurdle the communities will need to reconcile.

STRENGTHS WEAKNESSES OPPORTUNITIES THREATS ANALYSIS (SWOT)

The Countryside Exchange provided an unbiased “outsider” assessment of the northern Dutchess region. To supplement the Exchange effort, the NDA conducted the SWOT analysis to solicit the “insiders” views about the region. Not surprisingly given the extensive public outreach of the Exchange, the views of the two groups are strikingly similar. The following summarizes the results of the SWOT analysis:

STRENGTHS:

- Visual attractiveness of the area including the Hudson River, farms and open space, and the hamlets/villages were frequently mentioned as strengths of the region.
- Innovative and niche product marketing happening throughout the region despite the difficulties facing farmers. There are strong agriculture advocates in the region as well.
- A variety of education and other institutions with an interest in the area. Specifically, Bard College, Kaatsbaan and several non-profits that serve the area.
- A history of high tech development and availability of high tech resources.
- Viable transportation linkages.
- A significant amount of cultural resources.



LEON BOTSTEIN HAS LEAD A WORLD-CLASS CULTURAL EXPLOSION AT BARD COLLEGE THAT BRINGS MILLIONS OF TOURIST DOLLARS TO THE REGION EVERY YEAR.

WEAKNESSES:

- Inconsistency between planning documents and zoning among the communities.
- Participants noted a lack of: lodging accommodations, infrastructure, funding for open space, affordable housing, conference center, consensus on economic development, Hudson River access and an appreciation for tourism.
- Economics of farming and a general lack of support for farmers.

OPPORTUNITIES:

- Creation of a regional identity or brand for the northern Dutchess region. This concept includes aspects of tourism, agri-tourism, and marketing farm products.
- Historic settlement pattern, i.e. villages and hamlets, provide opportunity for alternate transportation options including pedestrian and mass transit.
- Participants see land preservation as a distinct possibility.
- New York City markets for tourism and farm products.
- Economic development based on natural/cultural heritage, access to the Hudson River and agriculture.

THREATS

- Across the board concern for inappropriate development that is out of scale, increases traffic and has the potential to create fiscal problems.
- Loss of open space, farmlands and rural character.
- Inappropriate use of resources.
- On-going economic concerns for agriculture and the high cost of production vs. the low volume of sales.
- Lack of vision and a concern for “repeating history” of southern Dutchess.
- Lack of affordable housing.
- Sprawl and large lot zoning (3-5 acres).

While the *Blueprint* will not specifically address all of these challenges, there are many crossover or connection points between the issues of land use, land preservation, economic development and natural/cultural heritage that will be touched upon. It will be necessary for the region to collectively create a sustainable vision that complements the uniqueness of the individual municipalities while promoting the region as a whole. We understand this no small task, but it is imperative if we are to maintain the quality of life appreciated by residents, new, old and of the future. It is our goal to provide tools and guidance along with concrete information to assist our communities in the decision-making process.

THE NORTHERN DUTCHESS ALLIANCE GUIDING PRINCIPLES

The NDA, seeking to foster regional cooperation, developed the following set of guiding principles that build upon the Countryside Exchange, the SWOT analysis and the review of the community comprehensive plans:

1. RESTORE, PRESERVE AND PROTECT NATURAL AND CULTURAL HERITAGE

- Foster citizen participation, interest in, and feeling of connection to region.
- Support partnerships between various community/environmental organizations, and support communication between local governments to strengthen regional projects and goals.

2. SUPPORT AND PROTECT THE NEEDS OF LOCAL FARMERS & FARMS

- Work with agricultural groups and farmers to provide business support and information about easements and other protective measures.
- Foster communication between farmers, elected officials and the community.

3. ENCOURAGE ECONOMIC DEVELOPMENT FOCUSED ON BOTH THE RESIDENT AND THE TOURIST

- Create/promote a cooperative regional plan to encourage communities to work together.
- Suggest zoning and tax laws that discourage further sprawl and therefore keep infrastructure costs down.
- Create/promote communication and partnerships between local colleges, local businesses and municipalities.
- Promote regional broadband wireless access and state of the art telecommunications to support economic vitality.

4. PROMOTE REGIONAL AND LOCAL TOURISM

- Encourage tourism with local events, festivals and projects sponsored by local businesses, organizations and municipalities.
- Improve access to public transportation and extend service routes.



RED HOOK'S HEARTY ROOTS IS A SUCCESSFUL EXAMPLE OF COMMUNITY-SUPPORTED FARMING.

- Create and distribute ‘Rediscover Northern Dutchess’ maps/brochures to encourage resident and visitor tourism. (To encourage intraregional tourism and promote external marketing of the Northern Dutchess Region.)

5. ENCOURAGE SMART GROWTH PRACTICES IN REGIONAL LAND USE

- Promote/support open space and farmland preservation practices.
- Encourage marketing campaigns and publicity about benefits of open spaces.
- Create maps that identify preserved areas to foster public support of protected land and smart zoning regulations.
- Foster Zoning regulations that reflect the principles of the Dutchess County Greenway Compact and each municipal partner’s comprehensive (master) plan.



COMMUNITY MARKETS LIKE THIS ONE IN HYDE PARK CAN HELP LOCAL MERCHANTS AND PROMOTE CONSUMER AWARENESS OF LOCAL GOODS AND SERVICES AVAILABLE.

6. IDENTIFY HAMLET, VILLAGE, AND TOWN CENTERS

- Restore and enhance existing settlements.
- Promote the creation of sufficient public water and wastewater infrastructure.
- Support the creation and improvement of sufficient transportation infrastructure.
- Encourage projects, such as sidewalks, plantings and furniture, to foster walkable downtown areas.
- Promote Main Streets as retail and civic centers.

These principles are laid out in all of the aforementioned documents and the NDA sees this *Blueprint* as a way to unify the region without infringing on municipal home rule. However, *member municipality commitment is the key to achieving the principles*. Further, we have only refined and summarized the information presented, we have not “reinvented the wheel” or added items not offered in the other documents. The principles truly represent the public input collected over a six year period.

PUTTING THE *BLUEPRINT* INTO ACTION

This *Blueprint* is intended to contain practical steps towards creating a Community Economic Development (CED) strategy. In the next section, communities are encouraged to map their assets (especially people) using a methodology called Asset-Based Community Development. Using this model, communities develop a process which results in an action plan to move the process forward.

In the third section, the *Blueprint* includes an analysis of region and discusses a strategy that promotes locally owned and import substitution or LOIS. The economic-development approach of a LOIS strategy is to identify dollar leakages (all those places in the economy where money is leaving the local economy, unnecessarily, to buy outside goods and services), and then to identify business opportunities and development strategies that simultaneously embrace the values of the region and plug major dollar leakages.

This analysis provides a starting point for identifying and promoting businesses which support the region and a set of policies that communities can consider adopting. The *Blueprint* also includes references and analysis tools that communities can use to gather basic economic data to aid in decision making.

SECTION 2: THE FRAMEWORK FOR ASSET-BASED COMMUNITY DEVELOPMENT

The Northern Dutchess Alliance is proposing our member communities use an approach to community development and economic renewal called *Asset-Based Community Development* or ABCD. Developed by researchers at the Institute for Policy Research at Northwestern University, this method advocates that the best solutions for community development are based upon an understanding of the following community assets:

- THE SKILLS of local residents
- THE POWER of local associations
- THE RESOURCES of public, private and non-profit institutions
- THE PHYSICAL and economic resources of local places

This approach shifts the economic development emphasis from a focus on inputs to address needs and problems to a focus on strengths/assets that ultimately create locally led opportunities. ABCD has been described as “an approach,” a “set of methods” for community mobilization and a “strategy” for mobilization and community based development.¹

Based on more than twenty-five years of experience in both rural and urban settings, ABCD encourages a community to see value in resources that may have largely been ignored in the past.

¹ Mathie, A. & Cunnigham, G. (2002). From Clients to Citizens: Asset-Based Community Development as a Strategy for Community-Driven Development. Occasional Paper Series, No. 4. St. Francis Xavier University: Nova Scotia. http://www.stfx.ca/institutes/coady/text/about_publications_occasional_citizens.html

In addition to the most obvious resource recognized by local governments, the people of the community, ABCD believes the relationships of people and organizations (informal networks) is the fundamental component that drives the community process and leverages additional support. Furthermore, ABCD encourages the exploration of interrelationships between identified problems, and advocates for coordinated and collaborative response.

In the following sections, the reader will be introduced to the fundamental concepts of ABCD along with tips, techniques, tools and references to put the strategy into practice. This information has been collected and refined based upon the work of the Institute for Policy Research at Northwestern University and from the Centre for Community Enterprise in Canada. It is anticipated each community will tailor the information to suit their individual situation and the ABCD Methodology will be used as a guide through the process.

The following concepts form the core of ABCD framework, which provide the central tenet of the *Blueprint*:

- MAPPING THE CAPACITIES and assets of individuals, associations and local institutions
- BUILDING RELATIONSHIPS
- MOBILIZING COMMUNITY ASSETS
- BUILDING A VISION and action plan
- LEVERAGING OUTSIDE RESOURCES

NEEDS VS. ASSETS OF NORTHERN DUTCHESS

The concept of focusing on assets rather than needs or problems aims to identify existing capacity which may bring about change in the fundamental way a community (or a region) perceives itself. Think about your community and how you would like to improve it. Often, one begins to think about the problems facing the community such as the lack of affordable housing or the need for more recreation facilities. In considering a community in this way, there is the possibility of creating negative “mental images.” For example, one image depicting the lack of recreation needs may be a group of local teenagers skateboarding down the steps at a public building. While that may in fact be true and may or may not be a “problem”, it is not the complete truth. A visit to the local park may also reveal a group of children skateboarding in the skateboard park.

This can create an atmosphere where the “Needs of the community” focuses on negative images that begin to portray a picture that becomes the “truth” about a place such that it looks like many things need to be “fixed” before the place can thrive and be attractive.

By following the principles of ABCD, this image can be turned around so that the image

is positive by developing an inventory of the community's "Assets." In this scenario, the "place" becomes full of hope and promise.

For example, in considering recreational needs, the community could choose to focus on its existing assets, such as its parks, trails, athletic fields and playgrounds. These images are much more positive and create an atmosphere of working towards improvement instead of "trying to fix a problem."

Community development is based on more fully developing these assets and connections between them instead of identifying solutions to problems. While there is subtle difference between the two approaches, the "assets" approach works towards building long-term capacity for positive community development.

As with other planning models, ABCD can be adapted to achieve the goals of a particular community or region. As the Blueprint explores the techniques more fully, the reader is encouraged to relate the information to the community in which they live or work and consider how the steps and tools can be altered to focus your task at hand.

According to Kretzmann and McKnight², "The key to neighborhood regeneration, is to locate all of the available local assets, to begin connecting them with one another in ways that multiply their power and effectiveness, and to begin harnessing those local institutions."



COMMUNITY DEVELOPMENT CAN BE MORE SUCCESSFUL BY FOCUSING ON ASSETS RATHER THAN PROBLEMS. ABOVE, AT MADELIN IN TIVOLI, A DILAPIDATED OLD LANDMARK BUILDING WAS CONVERTED INTO A THRIVING HOTEL AND RESTAURANT.

ASSUMPTIONS

1. This guide works from the basis that there is a committee or group in place that is ready and willing to undertake this task. If not, using the process outlined in the Organizing Individuals section will help you identify residents who may take on this role.

2. The committee or group fairly and accurately represents all stakeholders in your community. If not, the process may reveal new candidates for the committee.

3. This is an on-going process. Just as our communities are not static creatures, neither can the process be to improve them. Community economic development takes time, patience and dedication. A community should be able to ask, what resources do we have to solve this problem

² Kretzmann, J. & McKnight, J. (1993). Building Communities from the Inside Out: A Path Toward Finding and Mobilizing a Community's Assets. ACTA Publications: Chicago, IL. Page 5.

ourselves? Therefore it is important that a community asset map that identifies resources be as up to date as possible.

ORGANIZING INDIVIDUALS

At the center of your Asset Map you find the core of any successful community development process—the people of the community. Finding and mobilizing your human assets are the fundamental challenge for any community.



EVERY COMMUNITY IS FULL OF TALENT—
FINDING AND MOBILIZING YOUR HUMAN
ASSETS ARE THE FUNDAMENTAL CHALLENGE
FOR ANY COMMUNITY.

Typically, government officials find themselves working with a small, but dedicated group of individuals that continually put forth tremendous effort to make their community a better place. How can you expand this group? What are the talents and skills of our residents? Is there a way to recruit people to work on community issues? The following discussion is intended to get a community to map the assets of their individuals.

A basic premise within the ABCD framework is that everyone in your community has skills and talents. The goal is to identify the people along with their capacities in order to build a stronger community. Before you begin to develop an inventory of people and capacities, it is important to understand what you will do with the information you collect.

The following questions³ should be answered before conducting an inventory process:

- WHAT IS THE GOAL of the inventory? This will be crucial in determining who will be surveyed and what types of information will be collected.
- HOW WILL THE INFORMATION be stored? Who will have access to it?
- HOW WILL THE DATA be gathered? Will it be a door to door survey, mail in, phone?
- HOW WILL YOU CONNECT an individual's skills to other residents, associations, institutions or enterprises?
- HOW WILL YOU CONNECT an individual's community skills to local community groups or activities?

³ Adapted from Chapter 1, *Building Communities from the Inside Out: A Path Toward Finding and Mobilizing a Community's Assets* and from *Tools & Techniques for Community Recovery & Renewal* developed by The Centre for Community Enterprise.

- **HOW WILL YOU CONNECT** an individual to other residents, groups, programs or financing that will assist him/her in creating and developing an enterprise?

TOOL: A CAPACITY INVENTORY

The sample survey found in Appendix 1 can be used to assess the skills of volunteers and members in your organization. This survey is comprehensive and may not suit your needs. It is intended as an example and you are encouraged to adapt it to the local situation.

The sample survey collects information defined in four broad categories: *Personal Skills*, *Community Skills*, *Business Skills* and *Personal Information*. In the *Skills* categories, the goal is to catalog both the personal and workplace skills of an individual. For *Community Skills*, the goal is to learn what kinds of community work have they participated in and what kind they are willing to do.

For *Business Skills*, you are seeking to know if they have considered starting a business or they are currently engaged in one. Finally, you collect *Personal Information* so that you can do follow-up and keep in touch. Again, the survey can be tailored to your specific project and careful thought should be given to the types of questions you will ask.

Appendix 1: Sample Capacity Inventory appears at the end of this book.

CHALLENGES

- **DEFINING THE SPECIFIC PURPOSE** of the survey. Will the information help the resident give his/her gifts, donate his/her talents or increase his/her income?
- **DETERMINING THE KINDS** of information to collect.
- **ORGANIZATION OF THE DATA.** Remember, the purpose of using ABCD is to connect and mobilize assets. A report alone on the data collected will not accomplish those objectives.

RECOMMENDATIONS

- **CONTACT A LOCAL COLLEGE** and ask about assistance in constructing a survey. If they cannot help, ask them if they know of another organization that might be willing to assist.
- **PREPARE A QUESTIONNAIRE** for people interested in serving on town boards/committees such as the Planning Board, Zoning Board, Conservation Advisory Council, etc.
- **ENCODE ALL SURVEY RESPONSES** with numbers corresponding with the question numbers for easier data entry, storage and retrieval.

LIBERATING LOCAL INSTITUTIONS

Each of the communities in Northern Dutchess is home to an institution or two which may be disconnected from the efforts of its home municipality. The goals of ABCD in the role of liberating local institutions are to establish or re-establish mutually beneficial relationships and institutional accountability to the local residents. Institutions differ slightly from associations in that these are typically larger, more formal organizations representing public, private, quasi-public and public benefit entities (including for-profit and non-profit businesses). When engaged in community issues, institutions can contribute, if they are not already doing so, to the social, physical and economic health of the community or region.

Examples of institutions in Northern Dutchess include the local school districts, Northern Dutchess Hospital, local libraries, local, county and state parks, colleges, and the local, county and state police. Institutions come with a variety of assets which can possibly be utilized in your community development process. The focus of your efforts to work with institutions will be relationship building or rebuilding. As you begin to think about the institutions in your community, keep in the mind the following:

- **FACILITIES:** does the institution have space that can be utilized by the community? What groups currently use the space? This can help you with the inventory of local associations.
- **MATERIALS AND EQUIPMENT:** most institutions have office capabilities such as computers, copiers, phones, tables, chairs. Are they willing to share some of these to the community? If so, what kind of arrangements would be necessary?
- **PURCHASING POWER:** where are they getting supplies, materials and food? Do they purchase locally or regionally? Do policies governing their purchases restrict them to certain companies? Are they willing to buy locally and what would they need to do so?
- **EMPLOYMENT PRACTICES:** Do they have a preference for local residents?
- **EXPERTISE:** do they have expertise they are willing to share with the community?
If they are willing to share, do they have the staff to do so?

CHALLENGES

1. Institutions can be complex, multi-dimensional organizations and deciding on the data to collect about them will be critical to your ability to use the information effectively.
2. Some institutions are governed by forces outside of the community. This can complicate your trying to capture the interest of the institution in the local area. Finding the appropriate person within the organizational structure with whom to build a relationship can be the most challenging aspect of working with local institutions.
3. Institutional management goals may conflict with overall community vision and goals.

RECOMMENDATIONS

1. Remember to review your list of individuals and skills. Try to identify people who represent more than one organization or group. These people should be called upon to help you gain access to the various organizations within your community.
2. Focus on collecting information that will be valuable to your efforts.
3. Maintain the information in a user-friendly format and promote its availability. If you collect data, be sure to make good use of it.

THE INFLUENCE OF ASSOCIATIONS

For the purposes of ABCD, an association is defined as a group of citizens joined together with a vision and common goal. Associations can represent a variety of interests, they can be formal or they can be informal. Some have staff; others are operated on a completely volunteer basis. An important concept about an association is that it intensifies the talents and gifts of its individual members in a collective manner. Most valuable is that some associations provide community work that benefits all. In ABCD, it is crucial to identify all associations in your community so that you can begin to create relationships and seek their assistance in creating and implementing the vision for your community.

The goal of identifying associations within your community or region is to see if they may have capacity to undertake some new responsibility related to the community vision. Local leadership should ensure that as many of these groups as possible are involved in the community planning processes and projects so they gain an understanding and commitment to community efforts.

CREATING AN INVENTORY OF LOCAL ASSOCIATIONS

The researchers at Northwestern University have identified three simple, inexpensive, quick and productive ways to identify the associations in your community:

- USING PRINTED RESOURCES including but not limited to newspapers, directories and other materials
- TALKING WITH PEOPLE at local institutions—such as libraries and churches
- CONDUCTING A TELEPHONE SURVEY of a sample of local residents



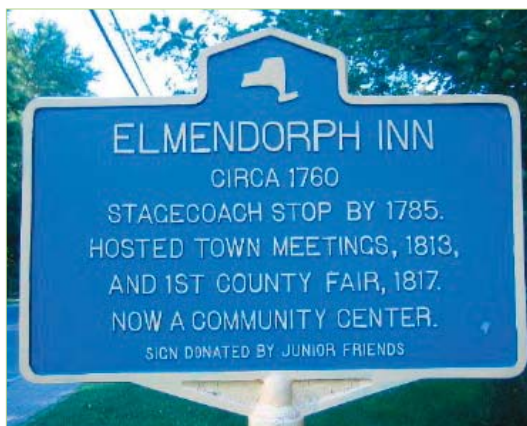
LOCAL LIBRARIES AND CHURCHES OFTEN HOST MEETINGS FOR VARIOUS ASSOCIATIONS AND MAY PROVIDE GOOD CONTACTS. ABOVE, 2007 TIC CONFERENCE WAS HOSTED AT HYDE PARK'S FDR LIBRARY.

- **BY EMPLOYING ONE OR MORE** of these techniques, you are likely to yield an extensive list of associations in your area.

PRINTED RESOURCES

As you look through printed resources, try to identify all the local papers where associations are likely to advertise. In addition to the daily local or regional paper, look for directories published in the local area. In some instances, these will be quite extensive and will save you the time searching

for the same information. Begin by checking your local or regional phonebook under Associations and Organizations.



THE GOAL OF IDENTIFYING ASSOCIATIONS WITHIN YOUR COMMUNITY OR REGION IS TO SEE IF THEY MAY HAVE CAPACITY TO UNDERTAKE SOME NEW RESPONSIBILITY RELATED TO THE COMMUNITY VISION. SOME HISTORIC PROPERTIES LIKE THE ELMENDORPH INN HAVE BEEN TRANSFORMED INTO COMMUNITY GATHERING PLACES.

LOCAL INSTITUTIONS

This approach to locating associations is based upon finding them in the places they meet. Local libraries and churches often host meetings for various associations. You are likely to learn about several associations from a single phone call to one of these organizations. Additionally, you may begin long-term relationships with someone within the organization which will add to your ability to mobilize a community.

PHONE SURVEYS

The most challenging way to identify associations is the use of a phone survey. In choosing to do a phone survey, you are asking an individual what associations they belong to, but you run the risk of people feeling like their privacy has some how been invaded. Kretzman and McKnight (p. 117) note you must identify which people to survey, find an efficient way to

contact them and ask the right questions so folks will cooperate.

Please see sample letters and introductions for phone calls in Appendices 2-4.

TYPES OF INFORMATION TO COLLECT

Once you have identified the associations in your community or region, you need to decide if you want to know more about them. Associations typically have a wide range of resources which may be useful to community development activities. For example, churches and other religious organizations have paid staff with expertise, special skills and interests. Libraries have meeting space and other associations have facilities that could be useful. Associations with regular memberships, such as the Elks Club, have items such as tables, chairs, a building and typically access to parking.

When thinking about the type of information to collect, we recommend using these broad categories of resources as a starting point:

- AREA OF INTEREST or expertise
- PERSONNEL — do they have staff, if so what are their skills
- SPACE AND FACILITIES
- MATERIALS AND EQUIPMENT e.g. computer equipment, tools, kitchen utensils, furniture
- ECONOMIC POWER — associations typically need to purchase supplies and materials and have the capacity to hire locally

Collecting the information can be done using surveys. These can be written, oral via phone, or a combination of both. The survey does not need to be complex, but the purpose for collecting the information should be clear.

CHALLENGES

1. Clarifying the types of information you want to collect about the association and how the data will be stored, who will be responsible and if it will be updated. These are a few things to consider before undertaking the inventory.
2. Identifying the “informal” associations in your community is likely to take some additional effort.
3. Following up with associations will be the key to collecting information and building relationships.

RECOMMENDATIONS

1. Don't reinvent the wheel—do some research to see if a comprehensive list of associations already exists!
2. Use this exercise to build relationships with the association leaders and members and to identify gaps in constituencies.
3. Remember to not underestimate the value of any association. For example, religious organizations are often related to others in different geographic areas offering the potential for regional outreach of your projects. Cultural organizations can be formal, such as a community theatre, galleries or museum or informal including musical groups, storytellers, dancers and craft makers. While the formal organizations may have material contributions (space, staff, materials, etc) they can make, the less formal ones can be organized for special events or projects.

BUILDING RELATIONSHIPS

The second step is the ABCD process is to build relationships between your individuals, associations and institutions. This is not to suggest that this is a linear process where you simply collect information as described earlier and then move on to this step. Rather, as you move through your capacity inventories, you will be making contact with people which may ultimately be the beginning of the process to establish relationships. This is an important issue to keep in mind as you work through your community development process.

Every time you can engage a member of the community or someone in an association or an institution, your work in community development becomes stronger and this is the key to a successful program. The goal is to seek involvement beyond the “small group of people who seem to do it all” for the community. Certainly, that small group should not be underestimated, but the true benefit of ABCD is to touch as many people as you can to build strength of the program and the community from within.

As the group of active, educated and engaged residents takes part in community activities, a new set of expectations begin to permeate the community. Your efforts should result in increased confidence from within the community to solve their problems and develop greater capacity for self sufficiency and less reliance on outside resources to “fix problems.”

An important reminder—the process of ABCD requires sustained efforts on the part of the organizers and this is no easy task. As a community builder, persistence and a strong desire to improve your community are required traits. Broad participation allows for more work to get done and will be necessary for long-term commitment needed to build community. Done properly, you will generate energy, enthusiasm and shared responsibilities.

The Centre for Community Enterprise⁴ offers these basic principles for recruiting volunteers:

■ PEOPLE ORDINARILY PARTICIPATE when asked one-on-one by the “right” person.

Relying on advertisements for volunteers is not likely to be enough.

■ PEOPLE HAVE A COMMON NEED to feel effective in their endeavors. Getting and keeping volunteers will depend on the opportunities to accomplish something.

■ PEOPLE WANT TO WORK on something that makes sense to them. The intricacies of the local economy and the goals of your program need to be articulated in plain English without the use of economic development terminology. Keep it simple!

■ PEOPLE ARE ATTRACTED TO PROJECTS in which they have an interest. When recruiting your volunteers, look for those with some prior experience related to your project.

⁴From the publication “Tools & Techniques for Community Recovery & Renewal” (2000), pg 38.

- **MEETINGS SHOULD BE ARRANGED** and conducted to make the best use of people's time and energy. Be aware of childcare or transportation needs.

Other principles to consider when dealing with associations or institutions:

- **IDENTIFY THE DECISION-MAKER** within the organization. Spend some time doing research about who is the appropriate person to contact.
 - **THERE IS A CERTAIN DEGREE** of marketing yourself and the activities your CED organization wishes to undertake. This requires some personal communication skills and the ability to "sell" your efforts.
 - **TIME IS PRECIOUS! BE PREPARED** for meetings and present material in a clear and concise manner.
 - **TAKE THE TIME TO DO** the small things that make a difference. If you indicate there will be follow up then make sure it happens. Write thank you letters to people who have taken time to discuss your project with you.
1. The organizing committee of this effort must be focused, but flexible. As you begin to organize, the community vision, goals and objectives may not be clearly developed. Yet, the organizing body must be clear about where the effort is directed and at the same time, open to new ideas. This will be a careful balancing act.

RECOMMENDATIONS

1. In your initial phase of recruiting, seek out the people who you know have a wide network of friends and associates. If most people are solicited using a one-on-one approach, the folks with a wide network have the greatest chance at mobilizing a few for your efforts.
2. Be sure to develop enough detail so your "salespeople" can be convincing and persuasive.
3. Organize the tasks you need to be done and recruit accordingly.
4. Run well organized meetings.
5. Develop a volunteer recognition plan where contributions are acknowledged.
6. If necessary, establish training programs for volunteers or have information segments in meetings to educate participants about ABCD.

DEVELOPING A COMMUNITY VISION

Does your community have a defined overall vision? Does it have an economic vision? Likely, if your community has been through a planning process, a written vision of your community exists and it typically includes an aspect of the local economy. Developing a vision is a necessary component

of your ABCD work. Your community vision provides a direction in which your efforts will move and provides the basis for your action plan. Without a clear vision, your program risks failure.

A visioning process is a means to describe a positive future for the community which you will use to develop your path to get there. The vision should be based in reality. It should recognize facts and an analysis of the community's assets, not problems. The vision is a product and a process which needs to involve all segments of your community.

The National Civic League produced a guide on community vision called *The Community Visioning and Strategic Planning Handbook* that described the following elements of a successful visioning process which focuses on consensus and collaboration:



BUILDING COOPERATION ACROSS POLITICAL BARRIERS IS ESSENTIAL IN DEVELOPING A COMMUNITY VISION.

- PEOPLE WITH VARIED INTERESTS and perspectives participated throughout the process and contributed to the final outcomes, lending credibility to the results.

- TRADITIONAL “POWER BROKERS” VIEWED other participants as peers.

- INDIVIDUAL AGENDAS AND BAGGAGE were set aside, so the focus remained on common issues and goals.
- STRONG LEADERSHIP CAME FROM ALL sectors and interests.
- ALL PARTICIPANTS TOOK PERSONAL responsibility for the process and its outcomes.
- THE GROUP PRODUCED very detailed recommendations that specified responsible parties, timelines, and costs.
- INDIVIDUALS BROKE DOWN RACIAL, economic, and sector barriers and developed effective working relationships based on trust, understanding, and respect.

There is much research on visioning and how the process works. The following outlines the general process, but each community will tailor it to their needs:

- CREATE AN ORGANIZING COMMITTEE. The information from your inventory of people in your community is the place to start. It is important for the group to be representative of the diversity in your community. Equally imperative is the dedication required to see the process to its end, typically three months or longer. Be sure your committee members are willing to commit to the entire timeline.

■ **THE ORGANIZING COMMITTEE** will develop the process. Considerations include deciding how many community-wide meetings to hold, a location for the meetings, and how to advertise to get people in the room. Other critical components of the process:

- **THE COMMITTEE SHOULD IDENTIFY** and solicit the key community stakeholders. Every effort should be made to include people who fall into the following categories: pro growth/anti growth, business group, old resident/new resident, age, geographic location, ethnicity, income, elected/appointed officials, institutions (school, police, library, etc).
- **THE SCHEDULE OF THE MEETINGS** will vary from community to community. Depending on the desired outcome, it could be three meetings over a period of three weeks or it could be extended to last for several months. One goal may be to have the same participants or as many as possible, for all the meetings. If your committee is trying to accomplish the goal of getting the same participants or as many as participant as possible, then frequent meetings over a shorter period of time is the recommended course of action.
- **THE ORGANIZING COMMITTEE SHOULD CONSIDER** if a facilitator will be utilized. The facilitator will guide the discussion and should have skills in conflict resolution. Working with a facilitator should be a recorder. This person will document what is being said during the meeting. Depending on the size of the group, more than one recorder may be needed. If the process involves break-out groups, then multiple facilitators will be needed.
- **GETTING THE WORD OUT** about the meeting is an obvious task for the committee. The committee may want to think about developing a media plan that defines a timeframe, media outlets and press information.

■ At the end of the process, the committee should be prepared to deliver a vision statement which encompasses the community's desire for its future. The National Civic League⁵ offers these suggestions for developing a quality vision statement:

- *Positive, present tense wording;*
- *Qualities that provide the reader with a feeling for the region's uniqueness;*
- *Inclusiveness of the region's diverse population;*
- *A depiction of the highest standards of excellence and achievement;*
- *A focus on people and quality of life;*
- *Addresses a time period 15 to 20 years in the future;*
- *Language that is easily understood by all and free of jargon.*

⁵ In The Community Visioning and Strategic Planning Handbook. Page 37.

CHALLENGES

1. The major challenge facing a visioning process is ensuring all segments of the community are involved. Obstacles include past experience, political differences, rivalries, language barriers or simply time or transportation constraints.
2. Sustaining a long-term commitment from the organizing committee and the public is the other major challenge.

RECOMMENDATIONS

1. Make the process fun! Stress the importance of getting acquainted with neighbors and the value of planning for a high quality community.
2. Develop clear and consistent messages in your communications. Be sure to have a contact person to answer questions and/or record opinions regarding the vision.
3. Respect the time commitment of meeting participants and the organizing committee members—be organized and begin and end meetings on-time.

PREPARING FOR ACTION

Now that the inventory of the people, associations and institutions is complete, and project participants have begun to establish relationships and develop a community vision, it is time to develop a plan for action. During the visioning process, critical issues for the successful implementation of the community vision were acknowledged. Before writing an action plan, project participants will explore the critical issues in more depth. This will provide the necessary base information upon which a plan can be crafted.

ANALYZING THE CRITICAL ISSUES

Using the comments gathered during the visioning sessions, begin to organize the information into several categories of issues. For example, trying to create a vibrant “downtown” area issues could include parking, infrastructure, or marketing. Once the issues have been identified, it will be necessary to figure out which are most critical to address in order to achieve the vision. This work could be done by the organizing committee for the visioning process or by a different group created to accomplish this task.

The National Civic League, in their *Community Visioning & Strategic Planning Handbook*, refers to the critical issues identified in a visioning process as Key Performance Areas (KPA). These are the priority areas which will receive targeted attention that will direct the community towards achieving its vision. The National Civic League outlines a process centered on the KPA's:

1. PRIORITIZE THE ISSUES INTO FOUR OR FIVE KPAs. These are your high priority issues

only. Remember, you cannot do it all at once. Focus on what is most important, identify what is secondary and revisit secondary issues at a later time.

2. **FORM A TASK FORCE FOR EACH KPA.** The task forces are responsible for a detailed study of the issue. This may require gathering additional data. The task force will identify possible solutions and recommend specific action items. To create task forces, utilize the people identified during the asset mapping activities, recruit members from the visioning process or assign people to a task force. The groups should be diverse. A convener should be identified who is responsible for planning and organizing the sessions, keeping the task force focused and updating the larger organizing committee. The task force may require a facilitator, who may or may not be the convener. Minutes of meetings should be recorded and distributed.

3. **BE SURE ALL INTERESTS AND EXPERTISE NEEDED ARE INCLUDED IN THEIR GROUP.** If not, then there needs to be an effort to fill any gaps to create a balance within each task force. The convener may ask each member to provide a list of names of individuals who can fill the identified gaps or there can be a review of the information gathered on the people in your community during the asset mapping stage.

4. **EVALUATE THE COMMUNITY'S CURRENT PERFORMANCE FOR EACH KPA.** The task force should have a good sense of the status of each particular issue at the moment, based on facts, not perceptions.

The task force should evaluate existing information or consider doing additional research.

5. Once a basic understanding of the issue is gained, the task force should **BEGIN TO DEVELOP GOALS FOR THE DESIRED FUTURE OF THE KPAs.** Depending on the topic, there may be numerous goals and objectives. The task force should prioritize goals and recommendations to reflect which ones they believe are most important to move forward initially.
6. For each goal, the task force needs to **IDENTIFY SPECIFIC ACTION STEPS**, identify resources needed, where the resources will come from, what the time frame for action is and most importantly, who will be responsible for implementation.
7. **THE KPA TASK FORCE UNITS WILL THEN SHARE ITS ACTION PLAN** with the larger stakeholder group and seek consensus on the action items. This is an important step because each one of these mini-plans will eventually translate into a larger and formal community action plan which will implement the community's vision.



DEVELOPING A COMMUNITY VISION REQUIRES INPUT FROM ALL KEY STAKEHOLDERS.

THE FINAL ACTION PLAN

At the conclusion of the KPA process, it will be necessary to organize all the material into one action plan. The organizing committee is likely to be the one responsible for combining all the work, but caution should be exercised so that the meaning of the work done by the KPAs is not lost or misrepresented in the final version.

A critical element of the final action plan will be how the performance of the plan is measured, i.e., are the actions being taken successfully leading the community towards its vision? For example, if there is a goal to increase the number of local businesses, then the plan should identify an indicator which will help the community to know if the plan is working. How many businesses currently exist and do you have a target number of businesses? The indicators need to be something which can be measured and the targets should be realistic. Can you expect to double the number of businesses within a community within two years? Consider indicators carefully and strive for achievable results.

The plan should also include a recommended timeframe for review and updating the plan. For the plan to be successful, the action steps must occur. By incorporating performance measures and a period for reevaluation, the community will be in a better position to know what is working, what is not and what needs to be modified. The community can then target its review and updates to only those areas of the plan which need the most attention.

1. Coordinating timing for completion of the KPA task force units' work can be difficult.
2. Finding the right person or group to take on a task and securing a commitment for action will be challenging. There are many balls to juggle and they must all be moving in order to move the community towards the vision.
3. Identifying measurable indicators for your goals and setting realistic targets is another challenge. Aim for success in small steps and capture measurable results.
4. Accepting some failures may be necessary. Hopefully failures will be few and far between, but your committee should be prepared to accept that failure will occur sometimes. Encourage your team to accept those challenges and alter their course of action by learning from what did not work.

RECOMMENDATIONS

1. If during the KPA process, common goals and actions were not identified, it will be important to do so in the final plan.
2. Look for complementary items and organize the material so that a coherent strategy is presented.

3. If the report is long, decide if an executive summary should be prepared to encourage people to read and use the plan.
4. Get a second opinion by having someone outside the process read the material and comment on clarity and ease of understanding. Sometimes it is clear and obvious to the person who has been closely engaged, but not so to the general public.
5. Be sure that each group or person responsible for an action item has been contacted and is willing to participate in the plan before the plan is released to the public. Remember—there is no action without an implementer.
6. Design a plan for building final consensus. Will it require another series of large community meetings? Will it require smaller meetings with stakeholders? If the action plan is to move forward, there should be consensus agreement on the plan.



LANDSCAPES LIKE THIS ONE IN MILLBROOK
MAY BE LOST WITHOUT PROPER PLANNING
FOR FUTURE GROWTH.

SECTION 3: NORTHERN DUTCHESS FIRST: BUSINESS STRATEGIES AND OPPORTUNITIES FOR A HEALTHY NORTHERN DUTCHESS ECONOMY

INTRODUCTION

THE NORTHERN DUTCHESS region prides itself on natural beauty and cultural richness, and on its farms, parks, historic sites, woodlands, and small towns and villages. Yet it is also a suburban economy that is a 90-minute train ride north of New York City, so close that some residents commute to jobs there daily. Population growth in the region has also created new challenges with rising housing prices and property tax, gentrification, sprawling development, greater congestion, and new demands on existing schools, infrastructure, and services. The towns and villages of Northern Dutchess County are responding with a variety of planning efforts, and working to ensure that they are guided by the principles, practices, and policies of “smart growth.” But the pace of change is overtaking the ability of the region to manage it, threatening the very assets that made it such an attractive place to work and live in the first place.



HYDE PARK'S CULINARY ACADEMY HAS TRAINED SOME OF THE REGION'S AND THE WORLD'S TOP CHEFS.

Prepared by: Ann Davis, Marist College, Melissa Everett, Sustainable Hudson Valley and Michael H. Shuman, Training and development Corp. For The Northern Dutchess Alliance and The New York Department Of State, Division of Coastal Management. May 2006

Mindful of the need to chart a new course, the Northern Dutchess Alliance (NDA) is developing an economic tool kit for its members with this report as a centerpiece. The goal of this analysis is to help the region, and the communities within it, seize promising homegrown business opportunities that are ecologically sustainable and reinforce the region's identity. Such businesses use local assets, prioritize local markets, strengthen the local economic multiplier, build local capacity, and boost regional pride. They also can help address some of the region's critical challenges by promoting smart growth, creating higher-wage jobs, and enlarging the tax base.

The authors and NDA are keenly aware of other initiatives underway at all levels—town, region, county, state—to address particular issues and challenges such as sprawl, tax reform, school quality, and environmental integrity. While this study touches on these issues, care has been taken not to duplicate these efforts and instead to keep the focus on business and economic development.

THE GOAL IS TO HELP THE REGION SEIZE PROMISING HOMEGROWN OPPORTUNITIES THAT USE LOCAL ASSETS, PRIORITIZE LOCAL MARKETS, STRENGTHEN THE LOCAL ECONOMIC MULTIPLIER, BUILD LOCAL CAPACITY, BOOST REGIONAL PRIDE, AND ARE ECOLOGICALLY SUSTAINABLE AND REINFORCE THE REGION'S IDENTITY.

Part I provides an overview of the Region: What towns and areas are covered by this study? What are the region's assets of land, labor, and capital? Who are the main employers? What kinds of transportation and communication infrastructure exist here?

Since a key assumption of our work is that economic development should be steered carefully by residents of the region, and not just left to larger market forces such

as the siting of "big box" retail stores and the national housing market, Part II reviews the deeply held—and remarkably consistent—values expressed in town and village master plans. We take these as the starting points for a new direction for business and economic development.

Part III describes the research team's philosophy toward economic development. We favor businesses that are *locally owned and import-substituting*, or

LOIS, partly because local businesses generate higher economic multipliers, and they fit more easily within the region’s expressed values.

The economic-development approach of a LOIS strategy is to identify dollar leakages (all those places in the economy where money is leaving the local economy, unnecessarily, to buy outside goods and services), and then to identify business opportunities and development strategies that simultaneously embrace the values of the region and plug major dollar leakages. This is done in the next two sections: for the region as a whole in Part IV; and for selected economic sectors in Part V.

Part VI reviews key policy opportunities for implementing this agenda, with a special emphasis on “Local First” initiatives.

Finally, Part VII describes the basic steps that can be taken by municipalities, business groups, associations, and—ideally—partnerships among these entities, as they translate the visions outlined here into action.

While this project is grounded in a vision that the region can achieve a new era of prosperity while maintaining the region’s character, beauty, and history, we are also mindful that the future of the region really rests in the hands of literally thousands of local consumers, investors, entrepreneurs, and policymakers. Their support and initiative will, more than anything, determine whether this vision can be realized.

Our modest hope is that this strategy will open residents’ imaginations to what is possible from its myriad strengths, so that they have an opportunity to realize the kind of bright future the region deserves.

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I. PORTRAIT OF THE REGIONAL ECONOMY

BETWEEN NEW YORK City and Albany, bordering the east bank of the Hudson River, is the northern part of Dutchess County. The largest towns in the Northern Dutchess region in terms of population—Hyde Park, Rhinebeck and Red Hook—are commercial and civic hubs connected by New York Route 9. The smallest hamlets, such as Bangall and Annandale, lie at the center of important farmlands and preserved natural areas. Unusually rich in historic sites, the region has long been the beneficiary of land and heritage preservation efforts. But now the region is becoming a victim of its own success, as it faces substantial population growth and development pressures.



WHAT IS THE VALUE OF LAND AND HOW SHOULD IT BE DEVELOPED OR PRESERVED?

Below is an overview of key features of the region's land, people, work force, financial assets, transportation systems, and civil society institutions.

THE LAND

The first thing that strikes any visitor to the Northern Dutchess Region is the land, which is highly valued, both in terms of its price and its importance in people's minds. Substantial areas of land are protected through private trusts and public policies, but the result is double-edged. Protected land enhances the quality of life but also limits opportunities for economic development.

Much of northern Dutchess County is covered by forest or water, with the northern half being largely rural. On the remaining portion, commercial, industrial and residential development all compete for limited space, as well as for limited water and sewer infrastructure. As the towns and villages engage in higher quality comprehensive planning, they face increasing challenges in

reconciling business land uses with environmental preservation.

Farming is widely understood as a win/win land use that keeps residential and commercial development in more appropriate locations and maintains an environmentally beneficial use of open land. Production in the northern Dutchess County farms includes beef cattle, Christmas trees, dairy, eggs, feed and supplies, fruit and vegetables, goats, hay, hogs, horses, organic feed, poultry, sheep, and venison. Several successful wineries are in the area, and special public events and agri-tourism are part of the regional economy.

Farm products from Northern Dutchess are sold in on-farm and community-based markets as well as the green markets of New York City. But average farm productivity in northern Dutchess County is significantly below the national average, a result of the number of part-time farmers in the area. While most farms follow conventional business models, some operate as “CSA’s” or community supported agriculture businesses, which are subscriber cooperatives whose members invest up front in a farm’s operations and then share the annual output.

Preserved land is generally appreciated as an economic asset in the region, and especially along the Hudson River. From the extensive riverfront preserves of Tivoli Bays, south along the Hudson through the rural Bard College campus, then through historic estates and parklands from Red Hook through Hyde Park, the areas surrounding the river are world renowned for their beauty.

Commercial and industrial real estate are in limited supply but include several small industrial parks in Red Hook, Rhinebeck, and Pleasant Valley. Some real estate suitable for light industry exists along the commercial Routes 9 and 9G, although water and sewer is often lacking and the locations are still inconveniently far from major transportation routes such as the New York Thruway or I84.

PEOPLE AND WORK FORCE

In 2003 the population of Northern Dutchess was 70,516, nearly one quarter of the population of Dutchess County. While the population of Dutchess County as a whole grew at a rate of 12% since 1990, the northern Dutchess population trends were quite variable. The population of the Town of Milan increased by over 34% from 1990 to 2003, although from a small base, while the population of Hyde Park actually declined slightly.

The villages of Rhinebeck and Tivoli grew by more than 10%, while the village of Red Hook declined by more than 10%. There is also considerable variation in age distribution. For example,



WHAT ROLE DOES FARMING PLAY IN THE LOCAL ECONOMY TODAY AND IN THE FUTURE?

the Town of Rhinebeck has more than 22. 8% of its population over the age of 65, while Milan has only 11. 2% in that age range. These variations in age composition have important implications for the future costs of services. As shown in Chart 1 below, the majority of Northern Dutchess workers are employed in private organizations including businesses and non-profits. Government numbers include public schools. *(Data for Red Hook and Rhinebeck combine town and village Census figures.)*

CHART 1: EMPLOYMENT - PRIVATE, GOVERNMENT, AND SELF-EMPLOYED

TOWN/VILLAGE	PRIVATE	% PRIVATE	GOV'T	% GOV'T	SELF-EMPL	% SELF-EMPL
CLINTON CORNERS	1,556	69.2%	459	20.3%	233	2. 5%
HYDE PARK	7,306	75.6%	1,881	19.5%	472	4. 9%
MILAN	749	66.0%	225	19.9%	150	13. 3%
PINE PLAINS	920	73. 7%	194	15.5%	134	10.7%
PLEASANT VALLEY	3,462	75.8%	786	17.2%	305	6.7%
RED HOOK	4,472	73. 0%	985	16.0%	594	10.0%
RHINEBECK	3,315	68.0%	916	19.0%	608	12. 0%
STANFORD	1,304	69.8%	377	20.2%	187	10.0%
TIVOLI	455	72. 5%	110	17.5%	57	9.1%

While the communities of northern Dutchess County have visible wealth and assets, the middle class faces the same challenges as elsewhere in the United States, including rising costs of health care and insurance (with many uninsured), stagnant wages, increasingly unaffordable housing, and shrinking pensions. Poverty is also real. In Dutchess County poverty rose from 7% in 1990 to 9% in 2000; non-urban poverty increased from under 1% to 4% in that same period. While low compared with many regions, this poverty rate underscores the need for concerted action to expand economic opportunity and to use local resources more effectively.

The work force in Northern Dutchess County is well-educated and has improved relative to the county as a whole. Between 1970 and 2000 the share of the Northern Dutchess population with graduate degrees has doubled from 14% to 28%. The large number of people with graduate and professional degrees provides a solid basis for expansion of its knowledge economy. At the same time, a modest portion of the



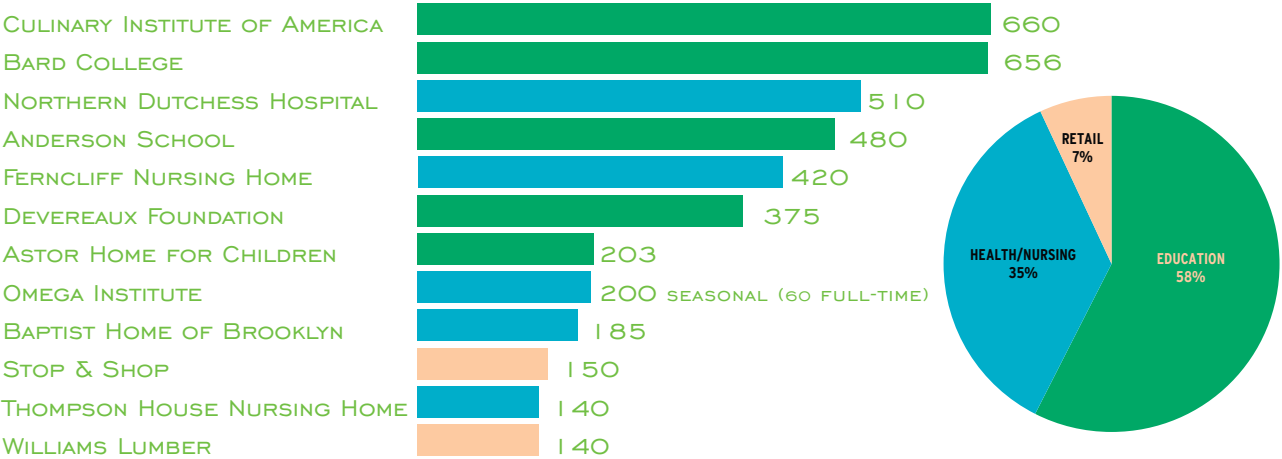
WHERE ARE THE JOBS? EDUCATION AND HEALTH ACCOUNT FOR 93% OF MAJOR PRIVATE SECTOR EMPLOYMENT, WITH PUBLIC SCHOOLS BEING THE LARGEST EMPLOYER.

population has been missed by local educational opportunities. Among 16—21-year-olds, 6% have not completed high school and are not enrolled in 2000, although this share has declined from over 10% in 1970.

Similarly, the share of the youth population not enrolled in school has declined more rapidly in Northern Dutchess than in the county as a whole. [Source: Census].

The top employment sectors in the regional economy are education, health care, and human services. In addition, government itself is a significant employer, with over 2,000 people working in area public K-12 schools. Important industries such as tourism have long-standing government involvement in connection with historic sites such as the Roosevelt and Vanderbilt Estates, run by the National Park Service with approximately 60 employees in the Northern Dutchess region. The New York Office of Parks, Recreation and Historic Preservation has an estimated 28 permanent employees and another 60 seasonal workers in the summer.

TABLE 2: TOP PRIVATE SECTOR EMPLOYERS (SUMMER 2005)



FINANCIAL ASSETS

While households in the region tend to invest more money than the U.S. average outside the region, there remain substantial financial resources for capitalizing new business ventures. Bank deposits totaling \$822,845,000 are held in seventeen financial institutions serving the area—less than half the per capita depository rate statewide. Some, like Rhinebeck Savings Bank, are locally owned and have significant commercial lending programs. Others, like Bank of New York, are among the largest commercial banks in the world. If the savings characteristics of Dutchess County households

mirrored those of the United States as a whole, five to six times more financial resources would be held in the form of stocks, bonds, insurance funds, mutual funds, pensions, and trusts.

TRANSPORTATION SYSTEM

Transportation services in the region also shape economic opportunities and constraints. The most important mode of transportation, and the only mode for most, is the car. Commuters move in substantial numbers north-south along the scenic Taconic Parkway and commercial Route



MOST RESIDENTS DRIVE EVERYWHERE; VERY FEW USE ALTERNATIVE TRANSPORTATION.

9, as well as east-west on state route 199 across the Hudson River on the Kingston-Rhinecliff Bridge to Ulster County and throughout the region. While every community provides some employment for residents, commutes of twenty to 45 minutes are common. In most of the towns, between a fifth and a seventh of the workforce commutes more than 45 minutes per day. The towns with the highest percent with long commutes include Clinton and Milan, at 22%; Red Hook and Hyde Park are at the lower end, at 14%. The fraction of the population with long commutes depends on the scale of the local employment base, as well as distance to major employment centers.

Mass transit to and from the region provide important alternatives to automobile use. Commuter-oriented bus service links major cities of eastern New York on Short Line and Adirondack Trailways; commuter rail, via Amtrak and Metro North's Hudson and Harlem Lines, link the region to New York City and points north. Dutchess County Airport in New Hackensack also offers limited commercial service and charter services. Within an hour's drive to the west, across the Hudson River, Stewart International Airport in New Windsor has five airlines for general and corporate aviation services. And the Albany International Airport is within commuting range.

Mass transit within the region is limited. A local bus service serves Dutchess County on the LOOP system, but ridership is low. Dispersed land use patterns increase the challenge of accessibility to the system, including parking. The LOOP system likewise misses important linkages such as service across the Rhinecliff Bridge to Kingston. Student-oriented transportation on the Bard College shuttle connects the Annandale campus with Red Hook and Tivoli, and continues on weekends to the Amtrak and Metro North stations.

Public access to the Hudson River is available up and down the Dutchess County waterfront,

CASE STUDY

HUDSON VALLEY FRESH

HUDSON VALLEY Fresh was initiated by Sam Simon, a Pleasant Valley, New York resident who owns Plankenhorn Dairy Farm. Hudson Valley Fresh is an initiative to provide high quality, fresh, local products to the Hudson Valley. Hudson Valley Fresh is deeply rooted by strong, sustainable local and regional food systems, and nurtured through collaboration, community engagement and education.

Sam Simon created the business plan and business model for Hudson Valley Fresh after seeing many local farmers losing substantial amounts of money due to unfair dairy prices. Mr. Simon noted that Patrick Manning was instrumental in introducing the project to the Department of Agriculture.

According to Mr. Simon, milk costs 19 cents per pound to produce in the Hudson Valley. In 2006, farmers were only receiving 12 cents per pound for their milk. The price for the milk is determined by the Chicago Mercantile exchange. In this way, according to Mr. Simon, corporations, not local farmers, determine the price of dairy.

Hudson Valley Fresh products are sold at a price that is fair to local farmers and allows them enough of a profit to stay in business. Mr. Simon commented that Hudson Valley Fresh milk is, by objective standards, a value-added product. According to Mr. Simon, the allowable level for the somatic cell count (SCC) of milk is 750,000 cells per milliliter. Somatic cell counts



SAM SIMON STARTED HUDSON VALLEY FRESH AFTER SEEING MANY LOCAL FARMERS LOSING SUBSTANTIAL AMOUNTS OF MONEY DUE TO UNFAIR DAIRY PRICES.

under 225,000 cells per milliliter is considered premium. All Hudson Valley Fresh milk has a somatic cell count under 200,000 cells per milliliter. Mr. Simon added that organic milk averages a somatic cell count of 450,000 cells per milliliter. In addition, Mr. Simon noted that the allowable level of bacteria count in milk is 50,000 cells per milliliter. Hudson Valley Fresh milk is at a level of 5,000 cells per milliliter.

Like organic milk, Hudson Valley Fresh dairy farmers do not use the synthetic growth hormone recombinant bovine somatotropin (RBST). While Hudson Valley Fresh farmers do use fertilizer in their fields, they do not use

pesticides. Finally, Hudson Valley Fresh products deliver fresh local milk to stores by moving the product mostly within a 36 mile radius and getting their milk to store shelves within 36 hours, including the milk that is delivered to New York City stores. Hudson Valley Fresh products are currently carried in numerous grocery and convenience stores in the Hudson Valley and New York City. It is also available at local schools and colleges.

The goal of Hudson Valley Fresh is first to give family farmers in the Hudson Valley a livelihood by giving them a fair price for their products. Additional goals include preserving open space, and increasing public awareness about the origins of the dairy and other food products they purchase.

Mr. Simon noted that volunteer work in the areas of marketing and administrative work is one of the essential components of the Hudson Valley Fresh program. Another essential component is the Hudson Valley Fresh website (www.hudsonvalleyfresh.com). Through the website, information can be obtained about these products and where to find them. In addition, the website also serves to promote other local products including produce and meats.

According to Mr. Simon, one of the largest successes of the Hudson Valley Fresh



THE GOALS OF HUDSON VALLEY FRESH IS TO FIRST GIVE FAMILY FARMERS IN THE HUDSON VALLEY A LIVELIHOOD BY GIVING THEM A FAIR PRICE FOR THEIR PRODUCTS.

program to date is that the program has gotten off the ground and is now providing local products to stores and schools throughout the area. To date, Hudson Valley Fresh has exceeded a quarter of a million dollars in milk sales alone and sales are growing weekly. Farms participating in the program have received quarterly dividends. The program now employs six part-time employees for delivery and administrative purposes. Mr. Simon attributes this success to the willingness from the public to accept an increased price for premium, locally produced milk.

and is a point of pride and attraction. Boats can be launched from the Rhinecliff Landing, Tivoli Bays Recreation Area, and other points in the region. Tivoli, Rhinebeck (Rhinecliff), Saugerties and Kingston have signed a memorandum of understanding (MOU) to study the feasibility of intermunicipal ferry service. However, considering the extensive shoreline and the popularity of river access, more could be done with this asset, especially in the Hyde Park area.

SOCIETY INSTITUTIONS

One very important strength the Northern Dutchess region has is a relatively advanced set of “smart growth” policies, as reflected in town and village comprehensive plans and land protection partnerships such as the Greenway Compact and in increasing efforts to use tools like Transfer of Development Rights. These have been implemented with the active involvement of three Chambers of Commerce, the county economic development agency, town planning boards, several economic development committees, private non-profits such as Glynwood Center and Cornell Cooperative Extension, and service clubs such as Rotary. All these players are exploring economic strategies side by side with local governments and NDA. Thanks to this groundwork, the towns, villages, and hamlets are now well-positioned to foster home-grown enterprises.



PUBLIC ACCESS TO THE HUDSON RIVER IS AVAILABLE UP AND DOWN DUTCHESS COUNTY, AND IS A KEY ATTRACTION.

II. GUIDING REGIONAL VALUES

IF THE Northern Dutchess Region wishes to protect and enhance its assets, it must be as mindful of the quality of economic development as it is of the quantity. Well-paying jobs and robust economic growth are clearly important to the region, but not at any cost. The starting place, therefore, for charting a new course for economic development is to articulate, as clearly as possible, the values the region wishes to embrace.

The NDA has analyzed the Comprehensive Plans of member towns and villages that are in place or are under development, and identified 14 themes that appear repeatedly in most or all of the plans. These themes have been reorganized into four clusters of related values for simplicity in this discussion: regional character and aesthetics; quality of life; smart, sustainable growth; and local control and regional collaboration. Table 3 lists these values and the corresponding comprehensive plan themes.

VALUES EMBODIED IN NORTHERN DUTCHESS COMPREHENSIVE PLANS

“Regional Character and Aesthetics” recognizes the value of what is already in place. It is both conserving and conservative. The region is filled with natural beauty, historic landmarks, landscapes, and family farms that make up its character and constitute the essential reason why many people moved to the region and stay here. This is what draws visitors and tourists, who in turn are important contributors to the economy.

The “Quality of Life” of the region is generally high in terms of aesthetics and amenities and a low level of extreme poverty, which is why people are willing to undertake substantial commutes to live here. Unlike many rural areas in the United States, Northern Dutchess has decent schools, hospitals, community centers, and public services. While mass transit in the form of trains and buses is insufficient, getting around is relatively easy over a vast network of roads and bridges. The region also has a number of wonderful, distinctive products including foodstuffs and crafts. Property prices are escalating, but compared to areas closer to New York City, a greater percentage of the housing is affordable.

These qualities will suffer without “Smart, Sustainable Growth.” “Sustainability” requires preservation of natural capital, including land, water, and air. “Smart growth” favors in-fill development, multiple uses of land, walkable communities, and protection of existing green spaces. Most residents embrace these values to some degree.

TABLE 3: COMMON THEMES FOUND IN LOCAL COMPREHENSIVE PLANS

ECONOMIC DEVELOPMENT VALUE	COMPREHENSIVE PLAN THEMES
REGIONAL CHARACTER & AESTHETICS	<ul style="list-style-type: none">NATURAL FEATURES
	<ul style="list-style-type: none">HISTORIC PRESERVATION
	<ul style="list-style-type: none">PRESERVATION OF TOWN/VILLAGE CENTERS
	<ul style="list-style-type: none">TOURISM
	<ul style="list-style-type: none">PRESERVATION OF AGRICULTURE
QUALITY OF LIFE	<ul style="list-style-type: none">AFFORDABLE HOUSING IN EXISTING NEIGHBORHOODS
	<ul style="list-style-type: none">APPROPRIATE TRANSPORTATION
	<ul style="list-style-type: none">COMMUNITY FACILITIES
	<ul style="list-style-type: none">NEED-DRIVEN ECONOMIC DEVELOPMENT
SMART, SUSTAINABLE GROWTH	<ul style="list-style-type: none">NATURAL FEATURES
	<ul style="list-style-type: none">ENVIRONMENTAL QUALITY
	<ul style="list-style-type: none">CAREFUL LAND USE
	<ul style="list-style-type: none">WALKABLE COMMUNITIES
LOCAL CONTROL & STEWARDSHIP	<ul style="list-style-type: none">COMMUNITY INVOLVEMENT
	<ul style="list-style-type: none">COMMUNITY VALUES

Local control and stewardship are both evident. There is widespread recognition, and appreciation, that an important part of the region's character is the presence of many small towns and villages, each with lively public participation and civic culture. Residents cherish the strong sense of community and community engagement, even when local politics becomes heated.

While there are few businesses that these values automatically exclude—even large-scale manufacturing, for example, can be done in environmentally sensitive ways—they do imply three broad characteristics of desirable businesses.

- **FIRST, LOCALLY OWNED BUSINESSES** seem most likely to preserve regional character. Family farms, shops, crafts, and other traditional businesses simply cannot be owned by outsiders and retain their distinct, homegrown flavor.
- **SECOND, SMALLER SCALE BUSINESSES** are more likely to be consistent with the region's quality of life. Very large-scale enterprises with thousands of employees cannot fit well within the current fabric of small towns and villages. "Small," however, is a relative term, and it is worth noting that the Small Business Administration defines a small business as one with fewer than 500 employees. Businesses consistent with smart growth also tend to be smaller. In-fill development, for example, works best with smaller and home-based businesses.
- **THIRD, THE COMMITMENT TO "smart growth" development strategies** limits the possibilities for large-scale manufacturing, wholesaling, utilities, and transportation. These kinds of businesses are possible, but only if done with care. Both local ownership and smaller scale, as we shall see, are reasonable ways to ensure such care.

The kind of economic development most likely to build on these characteristics is discussed in the next section.

III. ECONOMIC DEVELOPMENT FRAMEWORK

THERE IS A growing body of evidence that a successful local economy is grounded in a network of small businesses, owned mostly by people in the community, serving the region's economic needs. The key businesses serving this type of development can be described with the word **LOIS**—short for **Locally owned and Import Substituting**.

LOIS differs from other economic development approaches that rely on courting outside

companies, particularly those that employ expensive subsidies and tax breaks. Instead, LOIS seeks to grow the region from the inside out, by matching local needs with local assets. By developing locally owned, import-substituting businesses, LOIS helps a community develop a resilient network of employers that can insulate it from the ups and downs of the global economy.



STUDIES SUGGEST THAT LOCALLY-SPENT DOLLARS GENERATE 2-4X THE IMPACT OF NON-LOCAL DOLLARS. ABOVE: OBLONG BOOKS, RHINEBECK.

WHY LOCAL OWNERSHIP?

When businesses are owned locally, they tend to be more responsive to local needs and concerns, and they provide stronger economic benefits to the region than businesses owned far away. Locally owned businesses are more likely to hire and train local people, rather than to outsource jobs to a distant corporate headquarters or branch office. They purchase more inputs and support services from other local businesses, generating a positive feedback loop of prosperity that economists call the multiplier effect. Studies from around the world suggest that a dollar spent at a locally owned business generates two to four times the ultimate economic impact of a dollar spent by a business owned far away.

Local business owners, rooted in the community, are also much less likely to pack up and leave. When business

owners are also community residents, they are more likely to work with the community to shape its laws, regulations, and business incentives to serve the local quality of life. Today, most communities are effectively held hostage to their largest companies, who can demand tax breaks, lax regulations, and low wages, and ultimately may leave anyway. While not immune to pressing their case aggressively with local politicians, locally owned companies usually do not threaten to leave town—their roots in the community are too deep and the cost of departing too high.

WHY IMPORT-SUBSTITUTION?

Import-substituting development means that rather than setting out to try to produce something to be shipped all around the world, a community should look first to the local market. What are the people in town actually buying? Are these goods and services being made locally? Can they be bought from a local shop? If not, there's a business opportunity that can boost the local multiplier. Every time a community chooses to produce its own apples rather than import them, for example, it boosts the economic well-being of its own apple farmers, as well as all the local suppliers to these farmers and all the other local businesses where the farmers spend their money.

CASE STUDY

FARMERS DINER

THE FARMERS Diner was created by Tod Murphy and is located in Quechee Vermont. The mission of the Farmers Diner is to increase the economic vitality of local farming communities by using the highest quality ingredients from farmers and producers who are as local as possible.

Tod Murphy said that the idea for The Farmers Diner came to him while thinking about his experience farming and his past experience running multiple unit food services. He said that it “seemed to make sense to have a place that sourced local food from folks who could also be regular customers.”

The diner format was chosen because of the simple, hardy recipes that use many of the most difficult items for farmers to sell, such as ground meats and blemished produce. The Farmers Diner uses its commissary as the hub of the company. Locally grown meats and produce are brought directly to the commissary where they are processed into forms that restaurant cooks can easily use (ie: breaking down a chicken into legs, wings, and breasts).

The business goal of The Farmers Diner company is to grow the company while earning a profit and paying back their investors. At the same time, the company supports the economic vitality of the local farms by paying farmers a fair price for their products while also educating diner customers about the benefits of buying



VERMONT'S FARMERS DINER HELPS THE ECONOMIC VITALITY OF LOCAL FARMING COMMUNITIES BY USING THE HIGHEST QUALITY INGREDIENTS FROM FARMERS AND PRODUCERS WHO ARE AS LOCAL AS POSSIBLE.

local foods.

The essential components of The Farmers Diner are many. Mr. Murphy said that these components include owners committed to the company and its mission, and willingness to recognize mistakes and adjust plans quickly and accordingly.

Another essential component is working with farmers to educate them on the best practices for working with businesses. Lastly, Mr. Murphy said that is also essential to have a group of advisors who have skills in finance, business, farming, and education.

Major successes of the company have included making it possible for people to learn about local food and its value. The company has also helped to create a market for small scale commercial hog production, and has built a strong, growing regional value-added pork business that keeps critical infrastructure in place.

Greater self-reliance also reduces the vulnerability of a community to products of dubious quality (like contaminated meat produced in large processing facilities at remote locations) and to sudden cutoffs of key supplies, through political instability, natural disasters, oil embargoes, etc.

Import substitution does not mean economic isolation. In fact, import-replacing development may be the most effective way of creating a strong export sector. Supporting diverse local enterprises enhances the skill base of the community, allowing it to offer many products for export and reducing the impact of disruptions to any one product market.

THE LOIS PLANNING PROCESS

Economic development grounded in a LOIS philosophy aims to match assets for new and expanded local businesses with potential local market demand for these businesses. One way to measure demand is by looking, as we have done, at dollar leakages. By leakages, we mean places where dollars are leaking out of the community through purchases of non-local goods and services that could be produced locally. Anything that is being imported, but could be produced cost-effectively at home, suggests a good place to engage in business development or expansion. By looking at all of its import dependencies, a region can determine where unused or under-used assets can best be deployed.

IV. LEAKS AND STRENGTHS

FOLLOWING THE LOIS APPROACH to economic development, we have identified key leakages in the Northern Dutchess region by comparing the number of jobs in each sector with those in the U.S. as a whole.

Because the U.S. economy is relatively self-reliant (currently about 16% of Gross Domestic Product goes to imports), and because the buying patterns of American households are very similar from region to region across the country, a self-reliant regional economy should have a job composition that does not differ much from the national average. A truly self-reliant region would have equivalent representation of all the business types in the United States. In the sectors where the region has proportionally more economic activity than the U.S. average, it probably is exporting. In the sectors where the region has proportionally less, it probably is importing.

Not every industry, of course, can be undertaken locally. Some sectors, like mining or fishing, require location-specific resources. Others require clusters of support industries. Additionally, import replacement is not always desirable even in situations where it is possible. Few communities, for example, want to bury nuclear waste. This underscores the importance of screening the list of business opportunities implied by leakages so that they are consistent with the region's values and plausible given the available assets.

The two charts below show the results of this analysis for the Northern Dutchess economy, based on data from the U.S. Census Bureau's County Business Patterns, 2002 edition. It should be noted that Census figures are imperfect and that substantial change may have taken place in some industries since then. The number of reported jobs in each sector of the Northern Dutchess region's economy is compared to the number in the U.S. as a whole, adjusted for population. (*This data set only includes jobs in the private sector. Public sector jobs, such as local government and public education, are not included because they are not easily influenced without changes in public policy.*)

As can be seen in Chart 2 below, more than 9,000 new jobs are potentially available throughout the economy. Those sectors where more than 500 jobs are possible are, in ascending order: information services (501 jobs), management (504), accommodation and food services (591), transportation (611), professional services (780), retail (814), wholesale (932), finance and insurance (963), and manufacturing (2,424).

In practical terms, here's what the numbers are saying: Most of the jobs in the region's economy currently come via the health-care industry, education, construction and housing, retail, support and waste management services, and accommodation and food services. The size and strength of health care and education should not be surprising, since these are often the biggest sectors in rural economies. Accommodation and food services reflect the significance of tourism and hospitality. The large presence of construction and housing, as well as of retail, reflects the rapid residential growth in the region, some of it sprawling.

In terms of the dollar and job leakages, very little manufacturing is done in the region. This is due partly to the downsizing of IBM in the early 1990s and the long-term reduction of the number of local suppliers, as well as to long-standing efforts to protect the rural and aesthetic character. This also helps explain the dearth of management jobs. Any increase in manufacturing, especially small-scale and environmentally sensitive production, could help plug these leaks.

Some residents, of course, are managers commuting to jobs in New York City and in other suburban areas. That they are not working in the Northern Dutchess Region means that some of the professional services and information services that they use may be located elsewhere. The limited number of major shopping destinations, another result of protecting open and natural spaces, also means leakages of retail and wholesale jobs to neighboring areas. The typical means of transportation



CASE STUDY

HISTORIC RIVER TOWNS OF WESTCHESTER

THE HISTORIC River Towns of Westchester initiative was started in the early 1990's by Robert Elliott. Historic River Towns of Westchester was created as a project to bring neighboring communities together to create regional planning goals and strategies, and was the first inter-municipal effort in New York State.

Robert Elliott began this regional collaboration approach at a time when there was an economic downturn on many of the Main Streets of the communities in Westchester County. Due to corporate downsizing and the resulting unemployment, combined with the creation of numerous big-box stores in the

WESTCHESTER'S WATERFRONT PLAN HAS REVITALIZED AREAS LIKE THIS ONE AT HASTINGS-ON-HUDSON, BY CAPITALIZING ON THE AREA'S NATURAL ATTRACTION.

region, many communities were facing similar problems. As a result, Mr. Elliott brought seven Westchester communities together to discuss these issues. Among these discussions, it became apparent that Westchester County has a significant number of heritage sites, restaurants, and other attractions. However, because the attractions in any single community was not enough to revitalize its Main Streets, the group decided to come together as a region to promote these attractions and create a larger draw that would benefit the entire area.

The Historic River Towns of Westchester initiative, with the help of County Planning, which at the time provided in-kind services,

created 6 planning principles for the region. From there, a Main Street Plan and a Waterfront Plan were designed around these principles, and a Program Director was hired. Specific projects created from these plans include signage programs and ferry service. The initiative began with seven communities and has grown to currently include thirteen communities.

The primary goal of the Historic River Towns of Westchester initiative is to promote a bottom-up planning process that allows communities to make their own plans in a way fits their individual needs and concerns. Mr. Elliott said that another current goal is for the initiative to embrace the Hudson-Fulton Celebration to bring together other regional organizations and communities.

According to Mr. Elliott, there are numerous essential components that have resulted in the success of this initiative. The first essential component is a mutual problem or issue for the key players to come together around. In addition, it is necessary to have a core group of leadership, and also recognition that leadership waxes and wanes over time. Furthermore, it



A NEW FERRY SERVICE AND IMPROVED PUBLIC RIVERFRONT ACCESS HAVE BEEN SEVERAL LARGE SUCCESSSES OF THE WESTCHESTER INITIATIVE.

has been crucial for the initiative to adopt a set of essential Planning Principles, and to then facilitate the adoption of these principles by all participating communities as they all develop their own individual plans.

Mr. Elliott said that the foremost success of the Historic River Towns of Westchester initiative has been that since it began the Main Streets of the participating communities have improved greatly, and many are thriving. In addition, most of the communities have now adopted smart growth principles. The Ferry Service has also been a large success of the initiative, in addition to the Signage program that is now in place in most of the communities.

THE FOREMOST SUCCESS OF THE HISTORIC RIVER TOWNS OF WESTCHESTER INITIATIVE HAS BEEN THAT SINCE IT BEGAN, THE MAIN STREETS OF THE PARTICIPATING COMMUNITIES HAVE IMPROVED GREATLY, AND MANY ARE THRIVING LIKE THIS ONE IN BEDFORD.

that residents use, outside-produced automobiles using imported oil and the New York City-based transit and rail systems, are also sources of leakages.

CHART 2: ACTUAL VS. POTENTIAL JOBS IN THE NORTHERN DUTCHESS REGION BY SECTOR

SECTOR	POTENTIAL JOBS IF NORTHERN DUTCHESS EQUALED US AVERAGE	NORTHERN DUTCHESS ACTUAL JOBS	ADDITIONAL JOBS POSSIBLE FROM IMPORT SUBSTITUTION
ACCOMMODATION & FOOD SERVICES	2,031	1,441	591
ADMIN, SUPPORT, WASTE-MGT SERVICES	1,677	1,891	0
AUXILIARIES	204	38	167
CONSTRUCTION & HOUSING	1,275	1,176	99
EDUCATION (NON-PUBLIC)	546	3,549	0
FINANCE & INSURANCE	1,297	334	963
FORESTRY, FISHING, AG SUPPORT	37	50	0
HEALTH	3,012	3,466	0
INFORMATION SERVICES	715	214	501
MANAGEMENT	589	85	504
MANUFACTURING	2,909	485	2,424
MINING	94	23	0
OTHER SERVICES (PERSONAL CARE)	1096	712	384
PROFESSIONAL SERVICES	1424	645	780
REAL ESTATE, RENTALS & LEASING	408	226	182
RECREATION	364	303	61
RETAIL	2,996	2,182	814
TRANSPORTATION	724	113	611
UTILITIES	131	7	124
WHOLESALE	1,185	253	932
UNCLASSIFIED	7	13	0
TOTAL JOBS	22,719	17,200	9,138

MORE THAN 9,000 NEW JOBS ARE POTENTIALLY AVAILABLE THROUGHOUT THE ECONOMY. THOSE SECTORS WHERE MORE THAN 500 JOBS ARE POSSIBLE ARE, IN ASCENDING ORDER: INFORMATION SERVICES (501 JOBS), MANAGEMENT (504), ACCOMMODATION AND FOOD SERVICES (591), TRANSPORTATION (611), PROFESSIONAL SERVICES (780), RETAIL (814), WHOLESALE (932), FINANCE AND INSURANCE (963), AND MANUFACTURING (2,424).

V. SECTOR ANALYSIS

THE PREVIOUS SECTION summarized leakages from the region overall and the potential region-wide job and growth opportunities available through leak-plugging. In this section we go a level deeper and present more detailed portraits of the most important sectors of the Northern Dutchess Region. Based on conversations with NDA and the preliminary leakage analysis, we assembled working groups to look more closely at five sectors of concentrated business clusters and signs of realistic opportunity:

- NATURAL RESOURCES INDUSTRIES (*with an emphasis on food and agriculture*)
- CONSTRUCTION AND INFRASTRUCTURE (*with an emphasis on land-use and sprawl reduction strategies*)
- RETAIL AND WHOLESALE
- TOURISM
- SERVICES (*with an emphasis on professional services*)

The region clearly has important business opportunities in every sector, but these five were selected because of our judgment that these were most consistent with the values and trends of the region, and also because these were the sectors in which we could find a significant number of motivated experts. We had also planned to include a sixth sector, manufacturing, but we were unable to find a critical mass of existing industry leaders who had interest in linking with local markets. Leak-plugging potential clearly exists, especially if linked with other priority industries such as construction, alternative energy, or food processing.

While the composition of each working group varied, our goal was to put together 5-15 residents with experience, knowledge, and interest in the sector. We were especially eager to involve businesspeople themselves, along with advocates, educators and other experts representing county and local government agencies. A complete list of participants can be found on page 94. Each working group met for two to three hours. The chairs asked participants to review several pages of



THE RICH LANDSCAPE OF DUTCHESS COUNTY IS HOME TO MANY SMALL WORKING FARMS AS WELL AS SMALL TOWNS AND VILLAGES.

data on the sector concerning assets, challenges, strengths and leakages suggested by the data, and business opportunities. He or she encouraged corrections, additions, and changes to reflect a more current and detailed picture than the census data could provide. The following summarizes the findings of each group.

NATURAL RESOURCES INDUSTRIES

ASSETS

Because farmland preservation and farm economic viability are understood regionally as a major underpinning of open space protection and livable communities, agriculture was the focus of our deliberation. Value-added forestry products are a much smaller niche, but one that has been



A COMMON ASSET THROUGHOUT NORTHERN DUTCHESS IS ITS RURAL CHARACTER, OPEN SPACE AND FARMS LIKE THIS ONE IN MILAN.

valuable in other parts of eastern New York including the Catskill Watershed. The region has many important assets in its food and agriculture sector:

- **CONSUMER DEMAND:** The Hudson Valley is one of the fastest growing regions in New York State, both in terms of population and employment. It is also increasingly educated and affluent. All these factors mean increasing demand for local, high-quality food.
- **BUYING LOCAL:** An emerging trend nationally is that supermarkets and food stores are buying local produce and meats, linking local farms to local consumers. The Hudson Valley Fresh branch could expand beyond dairy. There are also opportunities to expand NDA farm-to-school initiatives.
- **LOCAL FOOD BRANDS:** A number of entrepreneurs have successfully developed branded farm products, such as Coach Farm Goat Cheese and Sprout Creek Cheese, as well as the Hudson Valley Fresh dairy branding initiative. The proximity of local food processing—for example, through Hudson Valley Food Works—offers opportunities for more brands.
- **HISTORY:** There is a rich history of family farming in the region that residents are committed to protecting.
- **AGRI-TOURISM:** Family farms are part of the landscape, the scenery, and the cultural traditions of Hudson Valley. They are a critical part of the magnet that draws tourists, and farmers are developing ways to capitalize on this.

- **LEADERSHIP:** A number of nationally recognized organizations in the region are supporting agriculture preservation, such as the Glynwood Center, the American Farmland Trust, New York State Farm Bureau, Cornell Cooperative Extension, the Hudson Valley Agricultural Partnership and Scenic Hudson.
- **NEW FARMERS:** A growing number of “Opies” live in the Hudson Valley. “Opies” is the New York Times term for the “organic professionals,” high income farmers who bring money and equipment to the region. While some of these farmers have alternate sources of income, many have high levels of commitment to their farms. They also help protect open space and provide visibility to the distinctiveness of Northern Dutchess assets.
- **CULINARY INSTITUTE:** The Culinary Institute of America is an internationally recognized center for food excellence, including the production, processing, branding, and cooking of local foods. It has an active adult education program for enthusiastic amateurs, or “foodies,” as well as professional training for chefs.
- **CSA AND CO-OPS:** Community Supported Agriculture networks are stable in the region. Food buying cooperatives also link consumers to area farms. (New York State now has 22, up from 10 a few years ago.)
- **REGIONAL MARKETS:** The proximity of huge markets, especially in New York City, offers myriad potential outlets for local food producers. A potential venue for new regional markets is in Hyde Park as part of a planned regional tourism and transportation center.
- **FARM FINANCE:** New institutions are coming onto the scene to finance food and farming ventures, including a collaboration among the American Farmland Trust and various local financial institutions.
- **BIOFUELS:** As the price of oil rises, there are growing opportunities to develop biofuels from restaurant, agriculture, and forestry waste, as well as from selected perennial crops such as switchgrass (Cornell Cooperative Extension has done a significant pilot project with this crop).

The region faces a number of constraints that, unless remedied, may hold back progress in the food and agriculture sector in the coming years:

- **DETERIORATING INFRASTRUCTURE:** Many existing family farms are struggling and unable to undertake upkeep of their farms and infrastructure. There are also shortages of veterinarians, slaughtering facilities, and equipment suppliers.
- **UNDER-UTILIZED FARMS:** A number of farms, owned by professionals and investors with primary commitments elsewhere, are not being fully utilized.

- **POLICY WEAKNESS:** Many regard local policies, such as taxes and subsidies, as not being sufficiently supportive of local agriculture.
- **ENTREPRENEURIAL WEAKNESS:** In *At A Crossroads: Agricultural Economic Development for Hudson Valley*, the American Farmland Trust recommended the establishment of a Hudson Valley Agricultural Development Corporation with “specific authority to develop physical community assets, promote economic development, foster leadership development, assist agricultural businesses with technical and financial services, and build agribusiness capacity.”
- **SCALE:** THERE ARE NOT ENOUGH small-scale farms to supply large grocery chains, and there are not enough good intermediaries to organize local farms into reliable supermarket suppliers.
- **AGE:** THE AVERAGE AGE OF FARMERS is in the late '50s, with few younger families seeking this lifestyle, making it difficult to transition farm businesses.
- **CHALLENGES TO IDENTITY:** THE RAPID GROWTH of population, buildings, and cars may be undercutting the area's beauty and natural resources, and adding to pressures for existing family farmers to sell off their land.

REGIONAL LEAKAGES AND STRENGTHS

The charts below repeat the analysis of leakages, but illustrate specific types of natural resource businesses. These data cover all non-farm business. Farm data are not included because the agricultural census is not a reliable source of employment data (there is too much chronic under-reporting and seasonal variation), and it presents its data in somewhat different formats than we show for other sectors. Here is our best picture of the sector and its leakage based on the agricultural census of 2002:

- **ALTHOUGH LESS THAN ONE-THIRD** of the farms in Dutchess County reported hiring farm labor, 977 jobs were created and more than \$7 million annual payroll was reported.
- **WHILE DUTCHESS COUNTY HAS .1%** of the U.S. population, it has only .03% of the farms and .02% of the value of farm products, suggesting considerable leakage from importation of food.
- **THE AVERAGE VALUE** of farm sales in Dutchess County was roughly \$50,000, compared with \$90,000 in the U.S.

CHART 3: TOP LEAKS IN THE NORTHERN DUTCHESS NATURAL RESOURCES INDUSTRIES

SUBSECTOR	POTENTIAL JOBS IF NORTHERN DUTCHESS = US AVERAGE	NORTHERN DUTCHESS ACTUAL JOBS	ADDITIONAL JOBS POSSIBLE FROM IMPORT SUBSTITUTION
POULTRY PROCESSING (SMALL, LARGE, AND MOBILE)	48		48
ANIMAL (EXCEPT POULTRY) SLAUGHTERING	30		30
COMMERCIAL BAKERIES	30	5	25
CORRUGATED & SOLID FIBER BOX MFG	24		24
WOOD KITCHEN CABINET & COUNTERTOP MFG	26	3	23
MEAT PROCESSED FROM CARCASSES	20		20
PAPER (EXCEPT NEWSPRINT) MILLS	20		20
LOGGING	14	10	4
POST-HARVEST CROP ACTIVITIES (EXC GINNING)	6		6
FORESTRY SUPPORT ACTIVITIES	3		3
SOIL PREPARATION, PLANTING, & CULTIVATING	2		2

CHART 3 LISTS OTHER BUSINESS CATEGORIES TOUCHING ON NATURAL RESOURCES INDUSTRIES WHERE THE NORTHERN DUTCHESS REGION HAS THE GREATEST LEAKS, RELATIVE TO THE US ECONOMY AVERAGE. THESE ARE AREAS OF WEAKNESS FOR THE ECONOMY BUT ALSO OF OPPORTUNITY. TOPPING THE LIST ARE ANIMAL SLAUGHTERING, BAKERIES, AND MANUFACTURERS OF BOXES AND WOODEN CABINETS.

CHART 4: TOP STRENGTHS IN NORTHERN DUTCHESS NATURAL RESOURCES INDUSTRIES

SUBSECTOR	POTENTIAL JOBS IF NORTHERN DUTCHESS = US AVERAGE	NORTHERN DUTCHESS ACTUAL JOBS	“EXTRA” JOBS IN THE NORTHERN DUTCHESS REGION
ANIMAL PRODUCTION SUPPORT ACTIVITIES	5	40	35
CHOC & CONFECTIONERY MFG FROM CACAO BEANS	2	3	1
SEWAGE TREATMENT FACILITIES	1	7	6

CHART 4 LISTS THE BUSINESS CATEGORIES WHERE THE NORTHERN DUTCHESS REGION HAS “EXTRA” JOBS RELATIVE TO THE NATIONAL AVERAGE. ONE ITEM STANDING OUT IS ANIMAL PRODUCTION SUPPORT. THIS STRENGTH COULD BE THE STARTING POINTS FOR CLUSTERS OF NEW BUSINESS DEVELOPMENT, INCLUDING LIVE ANIMAL BREEDING, SLAUGHTER, AND VALUE-ADDED PRODUCTION. THESE, OF COURSE, WOULD HAVE TO BE DONE AT A RELATIVELY SMALL-SCALE TO BE CONSISTENT WITH THE REGION’S VALUES.

RECOMMENDED AGRICULTURE AND NATURAL RESOURCE BUSINESSES AND SUPPORT STRATEGIES

Discussions with NDA and the sector working group highlighted the following business and business-support ideas as being particularly promising:

- **DEVELOP SLAUGHTER FACILITIES FOR PROCESSING** livestock, e.g. cattle, sheep, goat, poultry, pork, and venison; or a cooperative of four existing facilities in Northern Dutchess.

- **EXPAND PRODUCTION OF LOCAL GRAINS** such as wheat and barley.
- **PROMOTE MORE VALUE-ADDED FOOD INDUSTRIES**, like a factory making chocolate-milk (already produced in limited amounts by Hudson Valley Fresh).
- **CREATE A BIOFUEL/BIOCHEMICAL PLANT** using local switchgrass and other local biomass as feedstocks.
- **DEVELOP A COMPREHENSIVE INVENTORY** of local farms by location and category of product that builds on ongoing work of the Cornell Cooperative Extension Service's Dutchess County Office and the Glynwood Center (especially its "Keep Farming" program). Use this inventory to provide product information to consumers and to develop new marketing opportunities.
- **DEVELOP A COMPREHENSIVE LIST** of farm organizations. It should include the Agriculture Environmental Management (AEM); Hudson Valley Agriculture Project (HVAP); Dutchess County Farm Bureau; Dutchess County Dairy Committee; the New York State Farm Viability Institute (based in Syracuse); the Dutchess County Sheep and Wool Association; and the Holstein Club, Beef Producers, and Pork Producers. Provide information about business opportunities to this network making use of the website of the Hudson Valley Agricultural Partnership.
- **IMPROVE FORESTRY MANAGEMENT CONSISTENT** with a more robust wood-products industry, and explore opportunities for value-added forest products enterprises.
- **EDUCATE FARMERS** (and would-be farmers) about the potential for value-added businesses.
- **SUPPORT THE EXISTING FARMERS' MARKETS** in Rhinebeck, Hyde Park, and Pleasant Valley; explore the possibility of another in Red Hook; and support current plans to develop a farmers' market at the Regional Visitors' Center at the Roosevelt Estate.
- **SUPPORT AND EXPAND HUDSON VALLEY FRESH**, a brand that brings fresh milk from local farmers to local consumers.
- **PROMOTE REGIONAL BRANDING** in collaboration with other agencies and businesses, and help local food producers collaboratively market their products under the brand to farmers' markets, restaurants, and grocers in New York City. Also use the brand to enhance marketing through local farm stands, pick-your-own farms, and grocers—especially burgeoning co-op markets of NY State (22), Massachusetts (13), and Vermont (16).
- **ENCOURAGE LOCAL FOOD PURCHASING** by local restaurants (including fast food establishments) and by public entities such as schools, colleges, parks and historic sites, and government commissaries.

- **DEVELOP VALUE-ADDED, SUSTAINABLY HARVESTED** wood products including vintage and reclaimed woods.

CONSTRUCTION AND INFRASTRUCTURE

ASSETS

The region has many important assets that already support a strong construction and infrastructure sector (including the built environment, power and communications utilities and related industries). This section of the report focuses primarily on construction because the region has experienced such a boom in homebuilding and some volatility in the real estate market. The Hudson Valley remains one of the fastest growing regions in New York State in terms of population and employment. Among the assets that are fueling this growth are:

- **CONSTRUCTION INDUSTRY: THE CONSTRUCTION** industry itself, focused on housing, is a dense network of contractors and sub-contractors with many specialties, including mobile, fabricated, modest suburban, and multi-family homes; restoration; and high-end estates. In Dutchess County, growth in construction employment in the first quarter of 2005 increased by 3% from one year ago, a continuing rapid rate of growth. Over the period between 2000 and 2004, the construction sector has increased by 16%, more than double the rate of growth of the total employment of the county overall, of 5.9%.
- **VALUABLE REAL ESTATE: DEMAND FOR HOUSING** in Northern Dutchess County is very high, in part because the land is highly desirable, and profoundly beautiful with its farms, valleys, mountains, and river views. Downstate buyers and low lending rates are buoying the prices for this limited resource.
- **PUBLIC INFRASTRUCTURE: THE SCHOOLS ARE HIGH QUALITY**, enjoying support from the communities, with vibrant non-profit organizations in the arts, religion, and culture. Parks are available for recreation in all seasons.
- **TRANSPORTATION: THE TRANSPORTATION NETWORK PROVIDES** adequate trains and roadways that link the Hudson Valley with Albany, Massachusetts, and Vermont to the



CONSTRUCTION SECTOR JOBS GREW AT MORE THAN DOUBLE TOTAL EMPLOYMENT IN RECENT YEARS, YET THE REGION FACES CONSTRAINTS THAT WILL SLOW FUTURE GROWTH AND FORCE INDUSTRY ADAPTATION.

north, and with New York City, Connecticut, New Jersey, and Pennsylvania to the south.

- **RESIDENTS: THE RESIDENTIAL POPULATION** is increasingly educated, affluent, and mobile. New populations in the region offer a wide variety of skills and a growing base for producing and buying local products.
- **BUSINESSES: MANY FIRMS IN THE CONSTRUCTION INDUSTRY** are small and medium-sized, with strong roots and local ties. Some employers have discussed employer-assisted housing (e.g., financial assistance with down payments, closing costs, and the like) and would have the option of choosing local builders.
- **LEADERSHIP: ORGANIZATIONS SUCH AS** the Dutchess County Economic Development Corporation, Hudson Valley Smart Growth Alliance, and the Builders Association of the Hudson Valley advocate effectively for these industries and have helped these members navigate complex regulatory barriers.
- **CONSTRUCTION INNOVATION: SOME LOCAL FIRMS** have developed alternative energy and “green” home building products and services, which integrate the built and natural environments. Other local firms have developed “heritage” and “antique” design and renovation skills. Local leaders in the industry are providing vision for integrating economic development with preservation.
- **HOUSING STOCK: HOUSING STOCK** in the region is predominantly from the post war-period, with important nineteenth century historic housing in the riverfront communities providing regional ambience and pedestrian-friendly neighborhoods.

The region faces a number of constraints that, may slow growth in the coming years:

- **HOUSING PRICE ESCALATION: NEW DEVELOPMENTS** of significant size are now underway throughout the county, with land being purchased increasingly by outside and national developers. Home prices in Dutchess County increased by more than 25% between 2002 and 2004. This is good news for owners, bad news for renters and those seeking affordable housing, and mixed news for those seeking to preserve the region’s character.
- **LOSS OF AFFORDABLE HOUSING:** Recent reports on affordable housing have documented the mounting economic tensions (www.rpa.org), as working families and individuals are forced into surrounding counties to find residences. This migration in turn increases the commute time and can reduce the local labor force for NDA employers.
- **SPRAWL: MORE PEOPLE, BUILDINGS,** and cars undercut the area’s beauty and real estate values. Residents, both new and existing, often feel very protective of the natural beauty of the area, and fear loss of quality of life from development.

- **STRETCHED INFRASTRUCTURE:** Since school district and municipal land use are separate functions, development often impinges on the local tax base and can raise the cost of schools and other municipal services. Yet increasing employment and population in the region and escalating home prices lead to economic development and greater tax payments. Overall however, water systems, sewer infrastructure, and roads are not equipped for the recent growth, and fiscal stress is increasingly a public issue.
- **WORKER SHORTAGES:** In Northern Dutchess, and the mid-Hudson Valley, there is a pronounced skilled labor shortage in the building trades.
- **WATER: THE LOCAL INFRASTRUCTURE** consists predominantly of individual well and septic for residential developments, although increasingly public water systems are being consolidated. In recent years some public systems have failed, due to drought or pollution, with unforeseen costs imposed on residents.
- **ECO-BUILDING: FEW BUILDERS HAVE ADAPTED** their materials, designs, and projects to lessen impacts of sprawl, reduce energy use, and minimize water use.
- **COMPETITION: LOCAL BUILDERS LACK** the scale and financial capacity to compete with national builders on large scale clustered development.

REGIONAL STRENGTHS AND LEAKAGES

CHART 6: STRENGTHS IN NORTHERN DUTCHESS CONSTRUCTION SECTOR

SUBSECTOR	POTENTIAL JOBS IF NORTH. DUTCHESS = US AVERAGE	NORTHERN DUTCHESS ACTUAL JOBS	"EXTRA" JOBS IN THE NORTHERN DUTCHESS REGION
SINGLE-FAMILY HOUSING CONSTRUCTION	141	238	97
CARPENTRY CONTRACTORS	53	91	38
EXCAVATION CONTRACTORS	29	63	33
ALL OTHER HEAVY CONSTRUCTION	32	64	32
COMMERCIAL & INSTITUTIONAL BUILDING CONSTRUCTION	129	159	30
PAINTING & WALL COVERING CONTRACTORS	44	59	15
ALL OTHER SPECIAL TRADE CONTRACTORS	42	53	11
SPECIAL NEEDS TRANSPORTATION	7	15	8
FREIGHT TRANSPORTATION ARRANGEMENT	33	40	7

CHART 6 PRESENTS THE GREATEST AREAS OF STRENGTH, WHERE THE NORTHERN DUTCHESS REGION HAS “EXTRA” JOBS RELATIVE TO THE NATIONAL AVERAGE. CONSTRUCTION OVERALL IS AN AREA OF TREMENDOUS STRENGTH, REFLECTING THE HOUSING BOOM IN THE REGION.

CHART 5: TOP LEAKS IN NORTHERN DUTCHESS CONSTRUCTION SECTOR

SUBSECTOR	POTENTIAL JOBS IF NORTH. DUTCHESS = US AVERAGE	NORTHERN DUTCHESS ACTUAL JOBS	ADD'L JOBS POSSIBLE FROM IMPORT SUBST
COURIERS	101	0	101
SCHEDULED PASSENGER AIR TRANSPORTATION	98	0	98
GENERAL FREIGHT TRUCKING, LONG-DISTANCE, TL	96	0	96
GENERAL FREIGHT TRUCKING, LONG-DISTANCE, LTL	51	0	51
CONCRETE CONTRACTORS	62	13	49
DRYWALL, ACOUSTICAL & INSULATION CONTRACTORS	59	18	42
WATER, SEWER & PIPELINE CONSTRUCTION	40	3	38
HIGHWAY & STREET CONSTRUCTION	55	21	34
ELECTRICAL CONTRACTORS	156	122	34
SPECIALIZED FREIGHT TRUCKING, LOCAL	38	8	31
SPECIALIZED FREIGHT TRUCKING, LDist	30	0	30
GENERAL FREIGHT TRUCKING, LOCAL	32	3	29
ROOFING, SIDING, & SHEET METAL CONTRACTORS	49	25	25
USED HOUSEHOLD & OFFICE GOODS MOVING	23	3	21
POWER, COMMUNICATION TRANSMISSION LINE CONSTRUCTION	20	0	20
GENERAL WAREHOUSING & STORAGE	19	0	19
MFG & INDUSTRIAL BUILDING CONSTRUCTION	18	0	18
LAND SUBDIVISION & LAND DEVELOPMENT	18	3	16
STRUCTURAL STEEL ERECTION CONTRACTORS	15	0	15

CHART 5 SHOWS BUSINESS CATEGORIES WHERE THE NORTHERN DUTCHESS REGION HAS THE GREATEST LEAKS RELATIVE TO THE US ECONOMY AVERAGE. TOP CATEGORIES OF ACTIVITIES THAT USE OUTSIDE BUSINESS ARE COURIERS, AIR AND TRUCK TRANSPORTATION, AND CERTAIN TYPES OF CONTRACTORS (CONCRETE AND DRYWALL).

RECOMMENDED CONSTRUCTION AND INFRASTRUCTURE SUPPORT STRATEGIES

Discussions with NDA and the sector working group highlighted the following business and business-support ideas as being particularly promising:

- **NURTURE LOCAL ARCHITECTS, BUILDERS, and contractors** who specialize in green building, smart-growth design, and historic preservation. Encourage their collaboration on cluster and infrastructure development. Improve their training opportunities and provide affordable housing for their support staff.
- **ENCOURAGE RESIDENTS, BUSINESSES, and government agencies** to preferentially hire these architects, builders, and contractors.
- **UNDERTAKE A REGION-WIDE REVIEW** of policies and practices that might unnecessarily limit the development of home-based businesses.

- **CREATE ENERGY OR WATER SERVICE COMPANIES** that essentially sell conservation by providing integrated services for the conservation and/or supply of energy, so that the company makes money by helping customers conserve. Or set up a waste disposal company that can reduce residential and commercial dependency on outside businesses and land-fills. (New York State provides incentives to help develop alternative energy and alternative drinking water supplies.)
- **MAKE MORE SUSTAINABLE USE** of indigenous building materials, including local wood, straw bale, gravel, and rock.
- **DEVELOP ADDITIONAL PRODUCTION** and distribution capacity for high performance, healthy building materials with a low environmental footprint such as siding and countertops made from recycled materials.
- **BUILD AFFORDABLE HOUSING** for seniors and for the local work force.
- **DEVELOP MORE HOMEGROWN FREIGHT** carrying companies for short and medium-distance hauls.
- **TO ENCOURAGE MORE NON-AUTO TRANSIT**, create more bicycle parking facilities and rental businesses providing bicycles, scooters, and even affordable short-term car rentals along the lines of the hourly “zipcar” in major cities. These could be especially valuable if linked with clusters of tourist sites.
- **BUILD MODEST MASS TRANSIT** systems, including jitneys and trolleys, with seasonal ferry links to these systems.



CONTRACTORS THAT HAVE ADAPTED TO NEW GREEN TECHNOLOGY LIKE SOLAR ENERGY ARE SEEING INCREASING GROWTH.

RETAIL/WHOLESALE

ASSETS

While wholesaling remains limited, the region’s retail sector has many strengths and assets:

- **CONSUMER DEMAND: THE HUDSON VALLEY** is one of the fastest growing regions in New York State, both in terms of population and employment. The Northern Dutchess population, in particular, tends to be educated and affluent. All these factors mean growing demand for retail purchases.

- **LOIS BUSINESSES:** There are many locally owned retail businesses in the area. Many have a distinctive flair, whether specialty retail (e.g. Basic French in Red Hook and Fabulous Yarn in Tivoli), historic/heirloom (e.g., the Village Diner and Merritt Books in Red Hook), or eclectic (e.g. Winter Sun/Summer Moon clothing & personal care items,



LOCALLY OWNED SMALL RETAIL BUSINESSES WITH DISTINCTIVE FLAIR LIKE FABULOUS YARN IN TIVOLI HAVE DONE WELL, ESPECIALLY WHEN COUPLED WITH INTERNET SALES THAT HELP BALANCE LULLS IN OFFLINE SALES.

the corner cigar store in Rhinebeck). Other models within the larger region include Foodworks in Poughkeepsie and La Bella Pasta in Kingston, and organic producer Bread Alone in Boiceville, with cafes in Woodstock, Rhinebeck, and Kingston. Stone Barns in Westchester County is a replicable model of an educational complex focusing on sustainable agriculture, anchored by a high end restaurant and farmers' market.

- **RETAIL CENTERS:** Many retail centers of northern Dutchess County are walkable and reasonably well-maintained, although water and sewer are often lacking.

- **FOOD EXPERTISE:** The presence of the Culinary Institute of America supports the potential for a competitive gourmet food industry for the regional market featuring items as pastries and appetizers that now rely heavily on imports.

- **EVENT MAGNETS:** The Dutchess County Fairgrounds in Rhinebeck hosts many festival type events, including Crafts at Rhinebeck and the Sheep and Wool Festival, which provide another draw to the area and could be better promoted to encourage specialty craft producers to locate here.

- **TOURISM MAGNETS:** Tourism is another major driver for local retail business. Seasonal marketing efforts of the region as a whole, such as winery tours, increase Main Street shopping, dining and strolling. The quality of restaurants, and their reputations, are enhanced by the presence of the Culinary Institute of America. Another draw is the Hudson River waterfront, primarily accessed through historic sites, parks and preserves.

- **REGIONAL TRANSPORTATION:** The transportation network has excellent trains and roadways that link the Hudson Valley with Albany, Massachusetts, and Vermont to the north, and New York City, Connecticut, New Jersey, and Pennsylvania to the south, all of which can, in theory, facilitate outsiders shopping here.

- **ADVERTISING OPPORTUNITIES:** A widely read regional newspaper, the Poughkeepsie Journal, several town weekly and monthly publications, and a variety of radio stations and internet sites provide affordable advertising outlets for retailers.

- **LEADERSHIP: ACTIVE LOCAL CHAMBERS** of Commerce exist in Rhinebeck, Red Hook, and Hyde Park, as well as several Lions and Rotary Clubs, all of which are capable of helping retailers better collaborate with one another, and providing assistance to towns which need to develop more local entrepreneurial leadership.

CHALLENGES

The region faces a number of constraints that, unless remedied, may continue to undermine the prosperity of retail and wholesale businesses in the coming years:

- **BUSINESS SKILLS: LIMITED BUSINESS SKILL** in some Main Street retail businesses, limited repeat customers, and limited success in branding businesses individually and as a group may be factors in stagnant sales.
- **NARROWING MARKETS: CONSUMER DEMAND** is growing overall, yet certain consumer segments are “priced out” by escalating housing costs. These include the entry level workforce and youth, and concerns are often voiced about migration of young people from the area (although this has not been measured).
- **CRITICAL MASS: SOME RETAILERS STRUGGLE** to find enough demand. Small town centers are less populated than the surrounding mall areas in Poughkeepsie and the Town of Ulster. Red Hook merchants, in particular, report a lack of critical mass. A Ford dealership in Rhinebeck has moved from a main street location out to the surrounding highway, although others, such as Ruge’s, have remained committed to the village center. There are anecdotal reports of pressures on car dealerships and department stores from corporate suppliers to make these moves.
- **CHALLENGES TO IDENTITY: THE RAPID GROWTH** of population, buildings, and cars may be undercutting the area’s beauty and natural resources, and hurting those retailers dependent on the regional identity.
- **ENERGY COSTS: RISING ENERGY PRICES** will pose several problems for retailers, including increased costs of doing business, higher prices on goods sold, and fewer purchasers driving long distances. The scale of Main Street operations is not viewed as large enough for aggregation of energy purchases, according to sources at the Southeastern New York Council of Industries.
- **WATER: WATER ACCESS MAY** be an issue for businesses on the periphery of commercial districts that depend on well water. In recent years, some public water systems have failed, due to drought or pollution.
- **TRANSPORTATION: THE COUNTY’S BUS SYSTEM** is limited in both schedules and ridership. Transportation between retail areas, and tourist destinations, such as historic

sites and fairgrounds, is auto-dependent. Parking is generally adequate for ordinary activity but is stressed during special events, such as fairs and festivals. Transportation serving target populations could be better integrated—for example, by coordinating LOOP schedules with those of commuter rail and bus, and also with public transportation across the Kingston-Rhinecliff Bridge to Ulster County, a major commercial hub.

- **HERITAGE TOURISM: RETAILERS COULD BENEFIT** if heritage tourists could be nudged toward the town centers. The towns of Hyde Park, Rhinebeck and Red Hook are connected by Route 9, where many historic sites are located, but there is little cross-marketing or public transportation between the sites and the village centers. In many cases, retail is largely service-oriented vs tourist and consumer-oriented.

REGIONAL LEAKAGES AND STRENGTHS

The charts below look at specific types of retail businesses that could take root.

CHART 8: TOP STRENGTHS IN THE NORTHERN DUTCHESS RETAIL/WHOLESALE SECTOR

SUBSECTOR	POTENTIAL JOBS IF NORTHERN DUTCHESS EQUALED US AVERAGE	NORTHERN DUTCHESS ACTUAL JOBS	“EXTRA” JOBS IN NORTHERN DUTCHESS
OTHER BUILDING MATERIAL DEALERS	99	311	212
BOOK STORES	28	72	44
PHARMACIES & DRUG STORES	148	182	34
NURSERY & GARDEN CENTERS	31	60	29
OUTDOOR POWER EQUIPMENT STORES	6	30	24
MOTOR VEHICLE PARTS (USED) WHSLE	8	32	23
FOOD (HEALTH) SUPPLEMENT STORES	10	32	21
CONVENIENCE STORES	37	57	20
OTHER MISCELLANEOUS DURABLE GOODS WHSLE	20	40	20
HEATING OIL DEALERS	10	25	14
HARDWARE STORES	28	42	14
BAKED GOODS STORES	8	22	14
TOBACCO STORES	5	17	12
BEER, WINE & LIQUOR STORES	28	40	12
LIQUIFIED PETROLEUM GAS (BOTTLED GAS) DEALERS	10	21	11

CHART 8 PRESENTS THE GREATEST AREAS OF STRENGTH, WHERE THE NORTHERN DUTCHESS REGION HAS “EXTRA” JOBS RELATIVE TO THE NATIONAL AVERAGE. THE REGION APPEARS TO BE SELLING MORE THAN ITS SHARE OF BUILDING MATERIALS AND GARDEN SUPPLIES (BECAUSE OF THE LOCAL HOUSING BOOM), BOOKS, PHARMACEUTICALS, AND HARDWARE. POTENTIAL CLUSTERS AROUND THESE BUSINESSES COULD BE WHOLESALE BUSINESSES THAT SERVE ONE OR MORE OF THE RETAIL STRENGTH AREAS SUCH AS WHOLESALE DISTRIBUTION OF LOCAL CRAFTS.

CHART 7 : TOP LEAKS IN THE NORTHERN DUTCHESS RETAIL AND WHOLESALE SECTOR

SUBSECTOR	POTENTIAL JOBS IF NORTH DUTCHESS EQUALED US AVERAGE	NORTHERN DUTCHESS ACTUAL JOBS	ADD'L JOBS POSSIBLE FROM IMPORT SUBST
DEPARTMENT STORES	352	75	277
WAREHOUSE CLUBS & SUPERSTORES	101	0	101
HOME CENTERS	84	7	77
FAMILY CLOTHING STORES	96	29	67
COMPUTER+PERIPHERALS & SOFTWARE WHOLESALE	63	0	63
INDUSTRIAL MACHINERY & EQUIPMENT WHOLESALE	66	3	63
AUTOMOTIVE PARTS, ACCESSORIES & TIRE STORES	67	10	57
WOMEN'S CLOTHING STORES	61	5	56
ALL OTHER GENERAL MERCHANDISE STORES	62	15	47
OTHER GROCERY & RELATED PRODUCTS WHSLE	58	13	46
ELECTRONIC SHOPPING & MAIL-ORDER HOUSES	51	8	43
DRUGS & DRUGGISTS' SUNDRIES WHOLESALE	44	7	37
OTHER ELECTRONIC PARTS & EQUIPMENT WHSLE	59	23	37
SHOE STORES	41	5	36
GENERAL LINE GROCERY WHSLE	35	0	35
GIFT, NOVELTY & SOUVENIR STORES	42	8	35
RADIO, TELEVISION & OTHER ELECTRONICS STORES	49	15	34
SPORTING GOODS STORES	39	5	34
MOTOR VEHICLE SUPPLIES & NEW PARTS WHSLE	33	3	31

CHART 7 SHOWS WHERE NORTHERN DUTCHESS HAS THE GREATEST LEAKS, RELATIVE TO THE US AVERAGE. TOP OPPORTUNITIES FOR NEW RETAIL AND WHOLESALE BUSINESS IN THE SECTOR ARE DEPARTMENT STORES AND STORES SELLING HOME SUPPLIES, CLOTHING, COMPUTERS, INDUSTRIAL EQUIPMENT, AND AUTOMOTIVE SUPPLIES. THESE ARE AREAS OF BOTH WEAKNESS AND OPPORTUNITY FOR THE ECONOMY. NOT ALL LEAKS CAN OR SHOULD BE PLUGGED—FOR EXAMPLE, THE REGION MAY NOT WISH TO HAVE WAREHOUSE CLUBS AND SUPERSTORES, SINCE THESE TEND TO BE NATIONAL CHAINS THAT COULD ADVERSELY AFFECT LOCAL BUSINESS, AS WELL AS THREATEN OTHER ENVIRONMENTAL, CULTURAL, OR HISTORIC PRESERVATION VALUES IN THE REGION.

RECOMMENDED RETAIL AND WHOLESALE-SUPPORT STRATEGIES

Discussions NDA and the sector working group highlighted the following business and business-support ideas as being particularly promising:

- ENCOURAGE NEW OR EXPANDED RETAIL capacity with direct relevance to local households, such as children's shoes, family clothing, and stationery.
- PROMOTE NEW OR EXPANDED RETAIL specializing in locally-produced foodstuffs like organic and health foods, gourmet foods, and area specialty items such as dairy products.

- **SET UP ONE OR MORE** locally owned gas-station/convenience store outlets, and get them to specialize in selling locally produced ethanol and biodiesel.
- **CREATE MORE LOCAL GENERAL** merchandise department stores, possibly along the lines of the community-owned mercantile stores in Wyoming, Nevada, and Montana.
- **TO COMPETE AGAINST MAINSTREAM** retailers on convenience, develop a business that can deliver local retail items directly and operate continuously.
- **IMPROVE THE “DESTINATION” QUALITY** of existing retail areas with more events, entertainment, farmers markets, street sales, and the like.
- **CREATE A LOCAL CARD** (debit, credit, loyalty, or gift) that gives a financial incentive for shopping at local retail establishments.
- **DEVELOP A LOCAL CURRENCY** for the Northern Dutchess region, a medium of exchange that can only be used in the region and helps to retain purchasing power and favor local enterprises.
- **STRENGTHEN THE CAPACITY OF LOCAL** merchants, through classes or business-support networks, in small-business management, marketing, and customer service.
- **CREATE BUSINESS IMPROVEMENT DISTRICTS** to finance and foster more collaboration, strengthen town and village identity, and enhance skills of local entrepreneurs.

TOURISM

ASSETS

The region has many important assets already supporting a strong tourism sector.

- **HISTORIC SITES: THE FRANKLIN** Delano Roosevelt, Eleanor Roosevelt, and Vanderbilt National Historic Sites all have substantial natural and cultural resources as well as marketing budgets; Wilderstein, the Staatsburg State Historic Site and many manor homes with gardens could be marketed to international garden enthusiasts.
- **ARTS: THE REGION HAS MANY** galleries, with special concentrations in Tivoli and Rhinebeck; performing arts centers including Bard College’s Fisher Center (capacity 800), Olin Hall (capacity 375), Rhinebeck Center for Performing Arts (capacity 165), Church of the Messiah (capacity 200), and the Kaatsbaan dance center (capacity 160); a thriving crafts industry; film festivals; and locally owned arts theatres such as Upstate Films in Rhinebeck.
- **MUSEUMS: THE FDR PRESIDENTIAL** Library and Museum has both permanent and special temporary exhibits. The Old Rhinebeck Aerodrome is actually a small but

diversified transportation museum featuring antique cars, aircraft and engines, with air shows, biplane rides and special programs from spring through fall.

- **FAIRS: ACTIVITIES AT THE** Dutchess County Fairgrounds, besides the county's major weeklong fair in August, draw enthusiasts of antiques, cars, animal husbandry, folk art and crafts, and eccentric hobbies, including the upscale Crafts at Rhinebeck Festival and the popular Sheep and Wool Festival.
- **COLLEGES: BESIDES PROVIDING INTERESTING** sites for visitors and for conferences, the colleges in the region host parents' weekends and graduations that are big events for the hospitality industry. University-based arts and cultural activities, especially at Bard College, also are significant.
- **FOOD: THE AREA HAS MANY** good to exceptional restaurants, supported by connections with the Culinary Institute of America in Hyde Park. Most are small to medium in size.
- **ADULT EDUCATION: THE CULINARY INSTITUTE** of America has an expanding program of adult cooking classes for food aficionados, and the Omega Institute in Rhinebeck is one of the premier holistic education centers in the country.
- **WINERIES: THE CLINTON AND ALLISON** Vineyards are in the region, and the Millbrook Vineyard is just outside it. Each has tasting facility and a retail shop. Area wineries carry out some collaborative programming (e.g., winter holiday tours) and are well positioned to expand these.
- **RECREATION: RESOURCES INCLUDE EXTENSIVE** hiking and nature preserves (e.g., Tivoli Bays); walking and biking trails supported by the Hudson River Valley Greenway; kayaking; tournament-class golf courses; and equestrian centers.
- **SHOPPING: OF PARTICULAR INTEREST** to visitors are the stores selling antiques, books, and specialty retail in places like Rhinebeck, Hyde Park, and Red Hook;
- **AGRICULTURAL TOURISM: A NUMBER** of agricultural destinations are well known to locals, including the Greig Farm with its "pick your own" facilities and events, the farmers markets in Rhinebeck and Hyde Park, Montgomery Place Orchards, Christmas tree farms, Breezy Hill, and other apple orchards.

CHALLENGES

Tourism cannot reach its full potential unless several major challenges are overcome:

- **LODGING: THERE ARE NOT ENOUGH** rooms in the region to accommodate growth in demand, especially connected to special events and performance facilities. "Cookie-

CASE STUDY

SARANAC LAKE COMMUNITY STORE

THE MISSION of the Saranac Lake Community Store is simple: to bring reasonably priced goods to Saranac Lake. This small community with a population less than 5,000 people is a tourist area, but the locals find it difficult to buy a pair of underwear in the Town. In response to the closing of the Ames store, a group formed to bring a community owned department store to the Town. Sometimes referred to as a mercantile, Saranac Lake modeled their effort on successful mercantiles in Montana, Wyoming and Nevada.

A community store is owned and operated by locals. It is designed to fulfill specific local needs of residents at a fair price. Shares are sold for \$100 with a limit of any one individual



A SMALL TOURIST TOWN NEEDED A GENERAL STORE SO THEY SET IT UP THEMSELVES WITH PUBLIC SHARES SOLD TO FUND THE EFFORT.

owning no more than \$10,000. The stock went on sale in July to any resident of New York and in month had raised \$70,000 of the estimated \$500,000 they need to get the venture up and running. For the latest news and information, please visit www.community-store.org.

cutter” hotel chains would like to fill this need, but B & B owners and other tourism planners are resisting, because they wish to maintain the region’s character. There is also a shortage of destination lodging, such as a high-end spa or resort, although Omega Institute for Holistic Studies does a good job as an “educational spa.”

- **TRANSPORTATION:** WHILE THERE IS GOOD RAIL transportation linking the region with New York City, the Capital District, New England and other destinations, the transportation within the region and between specific sites is poor. Trolleys, bus or rail, for example, could link parts of each community with the rail stations in Rhinecliff and Hudson, as well as linking with neighbors across the river and to the attractions and employment opportunities of southern Columbia County. Boat transportation, bicycle routes, and bike rentals and sales could all be expanded. So could shuttle services linking destinations and town centers with rail, bus, and air transportation. The dependence on automobile transportation increasingly threatens other values of the region.

- **MARKETING: THE REGION HAS BENEFITED** from the marketing efforts of the Dutchess County Tourism Promotion Agency, which is within the county’s economic development agency and provides information on specific attractions and accommodations. There is a general perception that this promotion, while valuable, could be better targeted and coordinated with the work of other agencies, such as the Hudson Valley Greenway, the Hudson River National Heritage Area, and Friends of the Hudson Valley. In addition, there is concern that funding for tourism promotion is tied to relatively short-term initiatives of 1 to 3 years, making strategic planning difficult.
- **NATURAL RESOURCES: LIMITED SUPPLIES** of water and energy constrain the tourism industry. Heating and electricity costs may require more careful management (such as in-room metering) and conservation measures. Businesses that draw their water from wells are already facing supply constraints. For example, B & B owners have told us they regularly take laundry into village center laundromats to avoid stresses to their on-site water supplies. Also, the industry worries about the threat to pristine viewsheds posed by large-scale development proposals downriver and across the Hudson.

REGIONAL STRENGTHS AND LEAKAGES

CHART 10: TOP STRENGTHS IN THE NORTHERN DUTCHESS TOURISM SECTOR

SUBSECTOR	POTENTIAL JOBS IF NORTHERN DUTCHESS EQUALED US AVERAGE	NORTHERN DUTCHESS ACTUAL JOBS	“EXTRA” JOBS IN NORTHERN DUTCHESS
SNACK & NONALCOHOLIC BEVERAGE BARS	71	140	68
RECREATIONAL, VACATION CAMPS (EXC CAMPGROUNDS)	4	70	66
ALL OTHER AMUSEMENT & RECREATION INDUSTRIES	19	54	35
INDEPENDENT ARTISTS, WRITERS & PERFORMERS	8	34	26
BED & BREAKFAST INNS	4	30	26
MUSEUMS	16	40	24
FITNESS & RECREATIONAL SPORTS CENTERS	85	107	22
ROOMING & BOARDING HOUSES	3	12	9
AGENTS, MANAGERS FOR ARTISTS & PUBLIC FIGURES	3	12	9
BOWLING CENTERS	16	25	8
PROMOTERS OF ENTERTAINMENT EVENTS W/O FACILITY	6	12	6
HISTORICAL SITES (NOT INCL PUBLIC SECTOR FACILITIES)	2	3	1

CHART 10 SHOWS AREAS OF STRENGTH, WHERE NORTHERN DUTCHESS HAS “EXTRA” JOBS RELATIVE TO THE NATIONAL AVERAGE. AMONG THE AREAS OF TOURIST STRENGTH THAT COULD BE BUILT UPON ARE SNACK BARS, RECREATIONAL CAMPS AND SERVICES, INDEPENDENT ARTISTS, B&Bs, MUSEUMS, AND SPORTS CENTERS. NOTE THAT THE MAJOR EMPLOYER AT HISTORIC SITES, THE U.S. GOVERNMENT, IS NOT INCLUDED IN THESE FIGURES.

CHART 9: TOP LEAKS IN THE NORTHERN DUTCHESS TOURISM SECTOR

SUBSECTOR	POTENTIAL JOBS IF NORTHERN DUTCHESS EQUALED US AVERAGE	NORTHERN DUTCHESS ACTUAL JOBS	ADD'L JOBS FROM IMPORT SUBSTITUTION
LIMITED-SERVICE RESTAURANTS	615	249	366
HOTELS (EXC CASINO HOTELS) & MOTELS	265	73	193
CASINO HOTELS	61	0	61
DRINKING PLACES (ALCOHOLIC BEVERAGES)	70	10	61
GOLF COURSES & COUNTRY CLUBS*	59	0	59
CASINOS (EXCEPT HOTEL CASINOS)	33	3	31
FOOD SERVICE CONTRACTORS	84	57	27
TRAVEL AGENCIES	31	5	26
AMUSEMENT & THEME PARKS	19	0	19
FULL-SERVICE RESTAURANTS	809	792	17
CATERERS	22	7	15
CAFETERIAS	14	0	14
SKIING FACILITIES	13	0	13
ALL OTHER TRAVEL & RESERVATION* SERVICES	12	0	12
OTHER GAMBLING INDUSTRIES	12	0	12
PROMOTERS OF ENTERTAINMENT EVENTS WITH FACILITY	10	0	10
MUSICAL GROUPS & ARTISTS	10	0	10
RACETRACKS	9	0	9
SPORTS TEAMS AND CLUBS	8	0	8
TOUR OPERATORS	7	0	7

CHART 9 SHOWS CATEGORIES WHERE THE NORTHERN DUTCHESS REGION HAS THE GREATEST LEAKS RELATIVE TO THE US ECONOMY AVERAGE. THE DATA SUGGEST THAT TOP AREAS WHERE THE REGION IS USING OUTSIDE BUSINESS ARE LIMITED-SERVICE RESTAURANTS, HOTELS, BARS, AND COUNTRY CLUBS. HOWEVER, SMALLER MARKETS SUCH AS CATERING ALSO SHOULD BE CONSIDERED, SINCE THEY CAN STRENGTHEN OTHER INDUSTRIES IN THE AREA SUCH AS PROFESSIONAL SERVICES AND EDUCATION.

*IN THE CATEGORY OF "TRAVEL AGENCIES," CENSUS REPORTING IS OVERRIDDEN BY DIRECT REPORTS OF LOCAL SOURCES. IN THE CATEGORY OF GOLF COURSES AND COUNTRY CLUBS, THE DINSMORE GOLF COURSE OPERATES UNDER THE AUSPICES OF MILLS MANSION AND ITS EMPLOYMENT IS PRESUMABLY INCLUDED WITHIN THE CATEGORY OF HISTORIC SITES.

RECOMMENDED TOURISM-SUPPORT STRATEGIES

Discussions with NDA and the sector working group highlighted the following business and business-support ideas as being particularly promising:

- **CREATE**, WITH THE ASSISTANCE OF NDA, local governments, local Chambers, and the Dutchess County Tourism Promotion Office, a single coordinated clearinghouse of user-friendly information, interpretation, and inspiration about the region, as well a regional marketing effort for attracting tourists.

- **COORDINATE FULLY WITH REGIONAL** websites, such as Dutchess County Tourism and the Hudson River National Heritage Area.
- **DEVELOP SUPPORT INDUSTRIES FOR** historic tourism, including more museums, galleries, visitor centers, self-directed tour books, and specialized history tours.
- **NURTURE THE LOCAL ARTS** community with more coops, theaters, sound stages, video facilities, and performing arts centers.
- **CREATE A STRONGER DESTINATION** for outdoor activities with more sporting goods stores, sports teams, baseball batting cages, miniature golf courses, fishing and hunting preserves, and scenic tour companies. Because these activities are seasonal, entrepreneurs should be supported with careful planning to help them secure secondary income sources.
- **DESIGN AND BUILD AN** appropriately scaled conference center to meet the needs of regional businesses, non-profits, and agencies that currently use facilities in the southern part of the county or across the Hudson.
- **REOPEN NEGOTIATIONS WITH AMTRAK AND METRONORTH** on excursion trains from New York City connected with major cultural events (performances, festivals, fairs), and coordinate transport from railway stations to cultural venues.
- **PROMOTE THE DEVELOPMENT** of a modest number of additional, appropriately scaled and designed small hotels and motels connected with tourist sites.
- **ENCOURAGE RESIDENTS TO MAKE** full use—by themselves or through their guests—of local tourist attractions, hotels, restaurants, and other facilities, perhaps through “Local First” discount cards.
- **BUILD ON AND EXPAND THE NUMBER** of regional events that attract outsiders, like crafts fairs and film festivals, with effective coordination by an appropriate agency such as Dutchess County Tourism Promotion.

BUSINESS AND PROFESSIONAL SERVICES SECTOR

ASSETS

Overall, the region’s service sector has many important assets and advantages:

- **CONSUMER DEMAND:** The HUDSON VALLEY is one of the fastest growing regions in New York State, both in terms of population and employment. It is also increasingly educated and affluent. These factors increase demand for services.

- **QUALITY OF LIFE:** THE HIGH QUALITY of life in the region—natural beauty, cultural richness, and good public schools—attracts many professionals to settle and work in the region. The proximity of New York City, which is a national center for many service professionals, provides a rich pool from which the region draws.
- **LOIS BUSINESSES:** THERE ARE MANY locally owned service businesses in the area with strong roots and local ties.



HEALTH QUEST HAS CONSOLIDATED SEVERAL AREA HOSPITALS AND INCREASED THEIR COMPETITIVENESS WITH NYC MEDICAL CENTERS, HELPING TO KEEP HEALTH DOLLARS IN THE REGION.

- **REGIONAL TRANSPORTATION:** THE TRANSPORTATION network comprises excellent trains and roadways that link the Hudson Valley with Albany, Massachusetts, and Vermont to the north, and New York City, Connecticut, New Jersey, and Pennsylvania to the south, all of which facilitate outsiders using Hudson Valley services and local service providers traveling to clients elsewhere.
- **E-CAPABILITIES:** HIGH-SPEED INTERNET, which most professionals depend on, is becoming more widely available in the region, although unevenly so. Cyber-cafes with wireless Internet capability are beginning to open—in Tivoli for example, supported by the Bard student and faculty population. At the same time, manufacturers and others have expressed frustration with the lead times and costs associated with improving the communications infrastructure.
- **LEADERSHIP AND INNOVATION:** SOME PROFESSIONAL services organizations have taken leadership in improving quality and performance of the member service providers. Health-Quest has implemented bar-coding for patient medications, to reduce error and improve performance, for example, and the Taconic Independent Physicians Association has won federal grants to assist local physicians in making more effective use of information technology, such as electronic medical records.
- **ADVERTISING OPPORTUNITIES:** THE WIDELY READ regional newspapers, The Poughkeepsie Journal and the Kingston Freeman, and several town weekly and monthly publications, and a variety of radio stations provide affordable advertising outlets for service providers. Regionally owned WKZE Radio may offer additional opportunities for news and feature coverage of Northern Dutchess assets.
- **FINANCIAL SERVICES:** SEVERAL LOCAL BANKS in the region remain competitive, such as Rhinebeck Savings and Stissing Bank, and several S&Ls and credit unions.

- **HEALTH SERVICES:** HEALTH QUEST has consolidated several area hospitals (see www.health-quest.org) and increased their competitiveness with NYC medical centers, helping to keep health dollars in the region. This network of hospitals has three affiliated foundations and an effective fundraising operation. Northern Dutchess Hospital is in the midst of a major capital campaign and expansion project. A number of nursing homes are also located in Northern Dutchess.
- **EDUCATIONAL SERVICES:** BARD COLLEGE and the Culinary Institute of America have national reputations for their educational services. There are important alternative schools and treatment centers, such as the Anderson School. The Omega Institute is a nationally recognized center for holistic education in Rhinebeck and adds to the population of holistic health practitioners in the area.
- **CROSS POLLINATION:** AS IN OTHER SECTORS, there are a number of opportunities for cross-sector alliances that could boost the service sector. The financial services sector could have tighter links to agriculture or construction. Educational services could more tightly target the health care or financial services sectors. Manufacturing could be linked as well to such sectors as construction and health care (e.g., small scale industries producing green building materials).

The region faces a number of constraints that, unless remedied, may slow or stop growth of the services sector in the coming years:

- **REAL-ESTATE SHORTAGE:** AS PROPERTY values escalate, there may be a shortage of affordable commercial real-estate property for new service providers.
- **HIGH FEES:** THE HIGH FEES some professionals must pay to licensing authorities, both local and state, may discourage some service providers from settling here.
- **MERGERS:** SOME LOCAL FINANCIAL SERVICES have been eliminated through mergers and consolidation in recent years. Similar pressures are now bearing down on health services.
- **TRANSPORTATION:** THE COUNTY-OPERATED BUS SYSTEM—between and within towns—has limited schedules and ridership. Transportation between retail areas, and tourist destinations, such as historic sites and fairgrounds, is almost entirely auto-dependent. Parking is adequate for ordinary activities but is stressed when special events like fairs and festivals occur.

CHART 11: TOP LEAKAGES AND STRENGTHS IN PROFESSIONAL AND BUSINESS SERVICES

SUBSECTOR	POTENTIAL JOBS IF NORTH DUTCHESS = US AVERAGE	NORTHERN DUTCHESS ACTUAL JOBS	ADD'L JOBS FROM IMPORT SUBSTITUTION
PUBLISHING INDUSTRIES	206	24	182
MOTION PICTURE AND SOUND RECORDING INDUSTRIES	56	70	-14
BROADCASTING AND TELECOMMUNICATIONS	343	67	276
INFORMATION SERVICES AND DATA PROCESSING SERVICES	109	53	56
MONETARY AUTHORITIES - CENTRAL BANK	5	0	5
CREDIT INTERMEDIATION AND RELATED ACTIVITIES	608	177	431
SECURITIES, COMMODITY CONTRACTS, AND OTHER FINANCIAL INVESTMENTS AND RELATED ACTIVITIES	204	25	179
INSURANCE CARRIERS AND RELATED ACTIVITIES	473	131.5	342
FUNDS, TRUSTS, AND OTHER FINANCIAL VEHICLES	7	0	7
REAL ESTATE	273	145.5	128
RENTAL AND LEASING SERVICES	130	78	52
LESSORS OF NON-FINANCIAL INTANGIBLE ASSETS (EXCEPT COPYRIGHTED WORKS)	5	2.5	2
PROFESSIONAL, SCIENTIFIC, AND TECHNICAL SERVICES	1424	644.5	780
MANAGEMENT OF COMPANIES AND ENTERPRISES	589	84.5	504
ADMINISTRATIVE AND SUPPORT SERVICES	1617	850.5	766
WASTE MANAGEMENT AND REMEDIATION SERVICES	61	40	21
EDUCATIONAL SERVICES	546	2010	-1464
AMBULATORY HEALTH CARE SERVICES	994	713	281
HOSPITALS	1035	585	450
NURSING AND RESIDENTIAL CARE FACILITIES	560	1958	-1398
SOCIAL ASSISTANCE	423	260	163
REPAIR AND MAINTENANCE	270	224	46
PERSONAL AND LAUNDRY SERVICES	266	188.5	77
RELIGIOUS, GRANTMAKING, CIVIC, PROFESSIONAL, AND SIMILAR ORGS	560	299	261
TOTALS	10763	8631	2133

CHART 11 SHOWS BUSINESS CATEGORIES WHERE NORTHERN DUTCHESS HAS THE GREATEST LEAKS RELATIVE TO THE US ECONOMY AVERAGE. TOP OPPORTUNITIES INCLUDE TEMPORARY HELP, HOSPITAL STAFF, COMMERCIAL BANKING, LAWYERS, AND DOCTORS. FILLING SOME OF THE LEAKS HERE WOULD NOT BE CONSISTENT WITH THE REGION'S VALUES. FOR EXAMPLE, THE REGION MAY OR MAY NOT WISH TO MAKE A PRIORITY OF ATTRACTING SUBSIDIARY OFFICES OF LARGE FIRMS, WHICH MAY PROVIDE PRIMARILY ENTRY LEVEL EMPLOYMENT WITHOUT SIGNIFICANT CAREER PATHS LOCALLY. CHART 11 ALSO HIGHLIGHTS THE RELATIVELY FEW AREAS OF STRENGTH, WHERE THE NORTHERN DUTCHESS REGION HAS "EXTRA" JOBS RELATIVE TO THE NATIONAL AVERAGE. THE REGION APPEARS TO HAVE MORE THAN ITS SHARE OF SCHOOLS, NURSING HOMES, RECORDING INDUSTRY SERVICES, AND LEASING SERVICES. THESE STRENGTHS THAT CAN BE STARTING POINTS FOR CLUSTERS OF NEW BUSINESS DEVELOPMENT IN SERVICES AND MANUFACTURING.

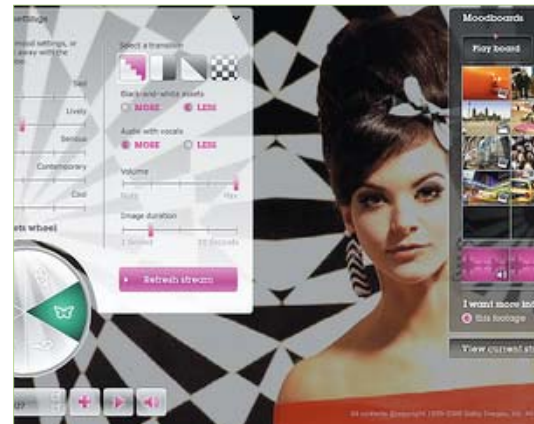
REGIONAL LEAKAGES AND STRENGTHS

We focus on business and professional services because they can be the sources of the high-income jobs most consistent with the region's values.

RECOMMENDED PROFESSIONAL AND BUSINESS SERVICES-SUPPORT STRATEGIES

Discussions with NDA and the sector working group highlighted the following business and business-support ideas as being particularly promising:

- **HELP RESIDENTS AND LOCAL BUSINESSES** find and use local service providers, such as lawyers, financial advisors, health care professionals, accountants, photocopiers, etc.
- **DEVELOP SMALL BUSINESSES THAT PROVIDE** grant-writing, management consulting, training, and business development services.
- **PROVIDE MORE COMPUTER SERVICES** and telecommunications services, in coordination with the Dutchess County Economic Development Corporation Telecommunications Council.
- **HELP WITH THE DISSEMINATION** of service-related innovations, such as information technology in health care.
- **ENCOURAGE GROUP PURCHASE OF LOCAL** electronics suppliers, internet service providers, cell phone services, and broadband providers to increase critical mass and customer base.
- **EXPAND THE PRODUCTS AND SERVICES** of local banks, brokerages, and insurers to include affordable housing and green building finance.
- **ENCOURAGE STRONG LOCAL SECTORS**, such as education and health, to support local finance and other cross-sector linkages.
- **EXPAND ENTREPRENEURSHIP AND LEADERSHIP** development overall.



ENTREPRENEURIAL HIGH-TECH VENTURES SUCH AS TIVOLI'S PUMP AUDIO CONTINUE TO BE A STRONG AREA OF POTENTIAL GROWTH FOR THE REGION'S PROFESSIONAL SERVICES SECTOR.

VI. POLICY RECOMMENDATIONS

THERE ARE QUITE a few potential public policies that the communities in the Northern Dutchess region might pursue to promote LOIS businesses. Some of these are in common use, while others are more innovative approaches that are worth consideration. Here are nine practical steps the communities should consider individually or collectively.

I. CONDUCT REGULAR STATE OF THE REGION REPORTS

This study represents an initial effort to define regional leakages and assets and use them to identify the best LOIS business opportunities. The region would benefit from doing this regularly, and steadily update and improve this analysis. This can be done in partnership with area educational facilities, planning organizations, and other experts. This is an opportunity for the region to give members of the community an opportunity to comment on and improve the results. Grassroots participation in setting the course for economic development is an important part of formulating a public-policy consensus. It deepens consumer awareness and support for local products and services. Strengthening grassroots capacity in the region, through adult education and entrepreneurship development, also can help.

One desirable outcome from these regular public reviews of local assets and local market opportunities is *improved cross-sector linkages*. For example, the financial services industry is not completely informed of opportunities in improving the quality and productivity of health services locally (including government-supported innovations by the Taconic Independent Physicians Association), or providing green construction and affordable housing businesses with financial support.

The manufacturing sector could expand to include alternative energy products, such as solar and wind energy systems. The business services industry could expand to include sustainable waste management. The natural resource industry, such as sand and gravel, could improve its local image by highlighting its sustainable practices.

The timber industry could improve its sustainability practices, and thereby provide a distinctive quality to local products, such as lumber produced at Listening Rock farm in Amenia. A biodiesel project, either private or municipal, could provide fuel at lower cost and greater local linkages for all other sectors.

2. STRENGTHEN EXISTING LOIS BUSINESSES

The region is blessed with a large, successful, well-established LOIS business community. Public and private efforts should help these businesses become aware of and use the emerging tools many small businesses are using nationwide to become more competitive. For example:

- **PRODUCERS COOPERATIVES — LOCAL BUSINESSES** might be encouraged to join existing producers' cooperatives or other kinds of industry-specific affinity groups that buy in bulk, advertise, and lobby for their members.
- **BAZAARS — THE REGION MIGHT HELP** set up a local business mini-malls, building on existing farmers' markets or creating dedicated shopping destinations.
- **DIRECT DELIVERY — TO HELP COMPETE** with the perceived convenience of chain stores, the region might create or join a direct delivery service affiliated exclusively or primarily with local businesses.
- **FLEXIBLE MANUFACTURING — THE REGION MIGHT FORM** a network of local businesses that is ready, willing, and able to seize manufacturing opportunities as they arise.

Some of this business organizing requires public and private investment, but the total costs are modest. Moreover, these funds may be available if other economic development efforts are overhauled to eliminate most subsidies and incentive programs.

3. PROMOTE ENTREPRENEURSHIP PROGRAMS

If the region is going to prioritize homegrown enterprise, it needs to train a new generation of entrepreneurs. The region is already served by some important entrepreneurship assets, including programs provided by Chambers of Commerce; the regional Gateway to Entrepreneurial Tomorrows program based in Poughkeepsie; Dutchess County Community College; and the Culinary Institute of America. But much more could be done at a relatively modest cost. For example:

- **MORE ENTREPRENEURSHIP EDUCATION** — Entrepreneurship programs could be launched in the public schools and enhanced in the community colleges, such as the new Summer Business Institute at Marist College. Funds could be made available to help other institutions like churches, civic groups, small business associations, and others set up their own entrepreneurship study groups.
- **MENTORSHIP PROGRAMS — ESTABLISHED BUSINESSPEOPLE** (especially retirees who have extra time) could be systematically partnered with young and aspiring entrepreneurs.
- **PLACE-BASED SCHOLARSHIPS — TO RETAIN THE BEST** and brightest, the region might create a scholarship fund that extends no interest loans to college-bound kids. If they

return to and settle in the region after graduation, the no-interest provisions kick in. Otherwise, market interest rates are charged.

- **INCUBATORS — THE REGION COULD DEVELOP** one or more dedicated incubators, where early-stage businesses can get space, administrative support, and technical assistance.

4. BUY LOCAL FIRST

A critical requirement for new and expanded local businesses is that consumers in the region buy from them loyally. Encouraging consumers to “Buy Local First”—a campaign now active in two dozen communities nationwide—is an important part of economic development. Below is a list of steps consumers can take to localize their expenditures—all of which are either revenue neutral (with careful shopping)—or actually can save households money.

BEST PLACES TO LOCALIZE SPENDING

Guidelines for Consumers (Including Municipalities and Businesses)

**Items that can yield significant household savings; all items at least cost neutral with careful shopping*

- **LOCALIZE YOUR HOME*** — **RENT FROM A LOCAL** landlord, take a mortgage from a local bank, or own your home.
- **LIVE IN LOCAL STYLE** — **USE LOCAL** building materials for your home, with local designs. Furnish with local tables, chairs, and couches made (or re-sold) in the area.
- **MINIMIZE AUTOMOBILES*** — **USE YOUR CAR LESS** by walking, biking, carpooling, live in “walkable communities,” or use mass transit.
- **FUEL UP LOCALLY** — **MAKE YOUR** next car very fuel efficient. Use local biodiesel and ethanol, as they become available.
- **LOCAL CAR SERVICES** — **FIND A GOOD LOCAL** mechanic you trust who charges reasonably. Use the local car wash.
- **EAT OUT LOCALLY** — **AVOID CHAIN RESTAURANTS**, especially addictive fast food places.
- **BUY FRESH** — **LINK UP WITH LOCAL FARMERS** for fruits, vegetables, and meats through farmers markets, co-ops, direct delivery services, or community-supported agriculture (CSA) programs. Rediscover local bakeries.
- **SUPPORT LOCAL RETAILERS** — **REDUCE DEPENDENCY** on Stop and Shop, Wal-Mart, and the like for local grocers. Be loyal to competitive local pharmacies, bookstores, hardware stores, coffee roasters, photocopiers, and so forth.
- **PLAY LOCAL** — **MINIMIZE YOUR ADDICTION** to high-end electronics and television.

Emphasize instead local sports, health clubs, playgrounds, pools, parks, games, plays, puppet shows, dancing, music, and debate leagues,

- **HEAL LOCAL — USE LOCAL DOCTORS**, dentists, therapists, acupuncturists, and nursing homes.
- **LIVE HEALTHY*** — **EMPHASIZE LOCAL NUTRITION**, exercise, emotional balance, and spiritual nurturing that can minimize the need for non-local pharmaceuticals.
- **SIGN A LIVING WILL*** — **CONSIDER** having the hard conversation with your family about when you want to say good-bye to save them from expensive, non-local, life-support systems.
- **MINIMIZE HOUSEHOLD ENERGY USE*** — **INCREASE INSULATION**, double pane the windows, buy compact florescent lights, replace the inefficient appliances and furnace, and tighten up your home to cut purchases of non-local electricity, oil, and natural gas. Better still, put photovoltaics or a wind-electric generator on your roof, and sell electricity back to the utility.
- **GIVE LOCAL — TARGET YOUR CHARITABLE GIVING** with local causes and non-profit organizations.
- **AXE BAD HABITS*** — **MINIMIZE CONSUMPTION** of alcohol, cigarettes, and questionable internet sites, all of which are hard to localize.
- **EDUCATE LOCALLY** — **SUPPORT LOCAL PUBLIC SCHOOLS** with volunteer contributions, and also consider collaboration with local private schools.
- **READ LOCALLY** — **BUY BOOKS FROM LOCAL AUTHORS** or local publishers, sold at local bookstores. Advertise in the local papers. Become a regular at the library.
- **HONOR JUNK*** — **GET DOWN** on the “stuff” food chain by repairing, refurbishing, and reusing old stuff. Honor hand-me-down clothing, especially for young kids who don’t care about Nordstrom’s. Give more gifts from the heart, and fewer gift certificates to Best Buy.
- **RENT MORE*** — **RENT OR LEASE** more big ticket items, like farm and garden equipment. Create neighborhood tool sheds with fewer lawnmowers or snow blowers.



LOCAL BUSINESSES ACROSS THE COUNTRY ARE SEEING INCREASING PUBLIC SUPPORT FOR BUYING LOCAL PRODUCTS, FROM APPLES TO COMPUTERS.

- **RECYCLE MORE**—YES, IT’S GOOD for the environment, but it’s also gives local industries affordable supplies of metal, paper, glass, and plastic. Expand access to the Hudson Valley Materials Exchange by organizing bus tours to its facility in Orange County.

In addition, many tools can promote local purchasing at relatively low cost, such as:

- **CREATE DIRECTORIES OF LOCAL BUSINESS**—These can be in print, online, in newspaper ads, and on coffee cups.
- **CREATE DIRECTORIES OF LOCAL PRODUCTS**—Product directories can highlight, again in print or on line, local made goods or locally provided services.
- **CREATE LOCAL LABELS**—AN INSIGNIA of local ownership helps consumers to buy local first. If it’s on a storefront, you’d know the store was locally owned. If it’s on a product, you’d know it was locally made.
- **BUY LOCAL DAYS**—OR WEEKS, months, or seasons, all of which can provide the basis for a buy-local campaign.
- **TIME DOLLARS**—IN COLLABORATION with a private organization like NDA, a group of communities could set up a computerized system to track volunteer hours and facilitate exchanges of services.
- **BUYERS’ CARDS**—CREATE INSTRUMENTS that promote local purchasing, such as local credit cards, debit cards, loyalty cards, and gift cards. A new national effort called Interra promises to provide an affordable national platform for these cards. Collaboration with Our Community Networks, recently launched in Kingston, should be explored.
- **HUDSON MARKETPLACE—THE REGION**—either Northern Dutchess alone, or in a wider collaboration -- might develop an agency that links local businesses to one another and takes a commission on each local “input” substitution.
- **SELECTIVE PUBLIC CONTRACTING**—LOCAL AUTHORITIES might give a 5-10% bidding advantage to local businesses. Better still, require bidders to estimate their own multiplier contribution to the community through local purchasing, and provide a training program for local companies on how to comply.
- **BUSINESS-TO-GOVERNMENT MIDWIFE**—CREATE A BUSINESS that aggregates small businesses into competing bids for government contracts and manage the mountain of paperwork, all in exchange for a modest percentage.

5. DEVELOP LOCAL CAPITAL

Another important long-term goal is to help residents invest in local business opportunities, both because local investment plugs a major leak in the economy (the Finance, Insurance and Real Estate sector) and because it facilitates the growth of other leak-plugging businesses necessary for regional prosperity. This will require making it easier to securitize small businesses, to trade these securities locally, and to set up related institutions (local hedge, venture, mutual, and pension funds).

All these innovations are difficult without major changes in state securities laws (federal laws pose fewer problems). Securities law in New York State is widely believed to be one of the “toughest” and “least flexible” (depending on your perspective) regulatory regimes in the country. There are, however, a number of more modest but important steps that local public policymakers could take. Among them:

- **COMMUNITY REINVESTMENT REPORT — STUDY WHICH** local depository and investment institutions—are reinvesting more than 95% of their savings/investments locally. Data that banks are required to file each year under the Community Reinvestment Act are helpful for making this assessment, but only a crude starting point. Additional information should be requested from all financial institutions, and the region should make clear that it will award “best bets” only to those institutions that duly provide the requested information.
- **BANK LOCAL — COMMUNITIES IN THE REGION** should make sure public entities use local financial institutions to conduct business and handle payroll.
- **INVEST LOCAL — BEGIN MOVING** or advocating the move of municipal investment, including surplus revenues and pension funds, into local business wherever there are reasonable opportunities to do so. Initially, this may be in revolving loan funds and affordable housing funds (the California public employees pension fund—CalPERS—invests in these). Over time, however, other opportunities may arise, and the interest of public authorities in investing in local business will provide a pull for innovative private investment.
- **BOND FINANCE — LIMIT THE USE** of industrial revenue bonds to projects involving locally owned business.
- **ANGEL CAPITAL NETWORKS — MUNICIPAL ECONOMIC** development committees, ideally with County support, could assemble networks of “angel” (flexible, private) investors, and link them up more systematically with pre-screened local entrepreneurs through dinners, presentations, and a web site. Such programs could be focused on priority industries identified by NDA.

- **TECHNICAL ASSISTANCE FOR SMALL Stock Companies**—A modest starting point for the region to enter the universe of securitizing small business might be to create a company that helps small-businesses to issue local stock (i.e., tradable only intrastate) more cost effectively, and then helps these firms with the annual reporting and due diligence. The region certainly has a critical mass of residents with expertise in securities law, accounting, and trading that might be enthusiastic about setting up such a capacity.

6. DISMANTLE BUSINESS SUBSIDIES

Because not much is known right now about regional business subsidies, it would be helpful if the region prepared an inventory of all subsidies, and an assessment on whether the beneficiary businesses had been locally owned and had fulfilled their promises. The inventory would cover grants, loans, loan guarantees, capital improvements, bond issues, tax abatements, and tax-increment financing (TIFs). Our longer-term recommendation would be to eliminate all these subsidies altogether and to plow the savings into some of the other suggestions for expanding LOIS business opportunities discussed here. If old-style subsidies are retained, they should, at a minimum, be opened up for competitive bidding by local businesses and awarded only after the beneficiary businesses perform as promised.

7. ENABLE SMART GROWTH

The region's communities have already adopted some smart-growth policies, but more could be done to expand and coordinate them.

- **HOME-BASED BUSINESS—ZONING AND LICENSING** regulations should be revamped to allow, even encourage, a wide range of home-based businesses. Local employers should be encouraged to allow their employees to telework from home. To facilitate this, broad bandwidth access in the region needs to be improved and training needs to be provided to potential teleworking employees.
- **HOOK-UP FEES—FOLLOWING A SIMILAR** measure in Loudon County (VA), any expansion of roads, sewage, electricity, or other infrastructure necessary for new residential or commercial structures, especially within the growth boundary, should be charged—full-freight—to the developer, to the extent allowed by state law. This includes customer connection and service fees.
- **AUTOMOBILE ALTERNATIVES—THE REGION SHOULD** try to expand transportation options for those who otherwise rely on single-passenger automobiles. It might invest in carpooling systems, bicycle paths, and mass transit. To generate funds for these alternatives, local fees should be added.

- **MORE AFFORDABLE HOUSING — RISING PROPERTY VALUES** have forced low-income workers in the region to live outside it, which increases traffic problems. As a remedy, the region needs to create incentives for developers to build more affordable housing, with local communities defining affordability in ways that are meaningful and politically viable.
- **SMART SCHOOLS — EVERY EFFORT SHOULD** be made to retain existing schools, even if they involve fewer students and teachers. This will retain important economic generators throughout the region and minimize commuting requirements (if more students can walk or bicycle to school), which in turn improves student health and reduces automobile traffic.

8. INSTITUTE LIVING WAGE

The region should consider passage of “living wage,” perhaps through Dutchess County. A living wage raises the minimum wage to a level that pulls the recipient above the poverty line. A number of recent studies have shown that the feared negative consequences of a living wage—that it might harm small business and cause inflation—turn out to be quite small. Against such concerns needs to be weighed the positive consequences, which include deterring the entry of low-wage chain stores, increasing local expenditures and resulting multipliers, reducing government welfare expenditures and potentially allowing for commensurate reductions in taxes. A reasonable starting point might be for the region to commission a study on these impacts.

9. LIMIT CHAIN STORES

Many regions have enacted laws that limit the incursion of chain stores or, in some instances, ban them altogether. These take the form of moratoria, comprehensive plan revisions, economic impact statements, size restrictions, and “formula” bans. Part of the periodic grassroots visioning exercise suggested above should be for every community to decide what role, if any, chain stores should have in the local economy. The wider availability of low cost consumer products may impose costs on communities when chain stores do not provide living wages, health benefits, or promotion opportunities, and increase local leakages.

Given the inherently controversial nature of many of these measures, and the crazy-quilt of local jurisdictions (villages, towns, county), there may be work involved in adopting a concerted regional strategy. In the absence of such a strategy, however, there is a risk of chain-store islands in the weaker jurisdictions, and a negative impact region wide. In the interest of achieving a county-wide approach rooted in a broad consensus, one very modest strategy might be to limit the overall number of chain stores and locate them only in well defined mixed-use centers and with appropriate design guidelines, but would prevent the kind of concentration and further mall development that necessarily create aesthetic, environmental, traffic, safety, and other kinds of problems.

VII. NEXT STEPS

OUR PUBLIC POLICY recommendations necessarily place governmental entities at the center of our action agenda, but in fact there is much more that can and should be done to revitalize the economy of the Northern Dutchess region. While the participation of government entities can give development initiatives legitimacy and funding, much can be accomplished through the private or nonprofit actors. Consider some of the ways other communities have sought to support LOIS businesses:

UNIVERSITY PROJECTS

In St. Lawrence County (NY), St. Lawrence University joined with several other universities and community colleges to create a team structure similar to the one started here. Besides continuing to make public recommendations about promising business opportunities, some of the teams have taken significant steps to create these businesses over more than three years. The Education Team published a resource guide on partnerships in the county promoting economic development. The Manufacturing Team helped set up a locally owned wireless internet operation. The Housing Team did ground-breaking work on the economic potential of replacing mobile homes, almost all imported, with homegrown new houses. The Retail Team helped convert an abandoned building into a community marketplace. The Energy Team established an energy service company that performed 92 energy audits, performed preliminary work for a local wind farm, and worked with a biodiesel company to begin the County's first plant. The Food and Agriculture Team decided to promote farm-to-school programs (including setting up vending machines dispensing local milk), develop a "North County" label for all local foodstuffs like maple syrup, and prepare guides to local farmers and food producers.

WORKFORCE INVESTMENT BOARD INITIATIVES

In the Katahdin region of Maine, a similar team-based effort was launched by the Training & Development Corporation (TDC) using workforce-training funds from the Department of Labor. The precipitating event was the closure of two paper mills by the Great Northern Paper company—once the largest and most important mills in the world—that put 1,400 people out of work and triggered a regional depression with an unemployment rate above 40%. Again, teams were organized, this time for a year. The study was done showing that, collectively, the residents of Millinocket, East

Millinocket, and Medway spend \$78 million per year. If they spent as much money locally as the average American did, there would be 1,400 more jobs in the region—roughly the same number as were laid off at the mills in Christmas 2002.

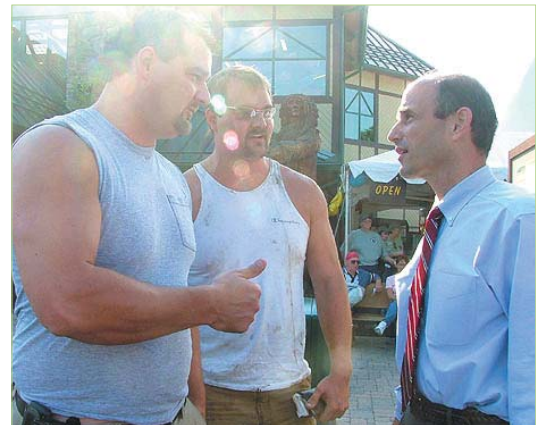
One challenge came from the strictures of TDC's grant from the Department of Labor, which mandates that worker training grants cannot be used for economic development. TDC decided that the best response to the regulations was to use 95% of the grant for old-style worker support, and 5% on the acquisition of "fugitive jobs," jobs that should be locally available, but are not, because of an inadequate level of local spending. The mission of the Worksphere Initiative of the Katahdin Region, or WIKR, was to organize teams, like those in St. Lawrence County, that could identify, target, and capture fugitive jobs.

For a year the teams met periodically, refined a list of regional indicators, and came up with a list of recommended business opportunities in their sector. The results of their work—some 50 business ideas—were presented in a colorful booklet called *Katahdin First: Resources and Opportunities Guide*. During this same period, TDC also published a monthly supplement in the *Community Press* called *Local First*. Each issue contained a list of locally owned businesses, profiles of interesting entrepreneurs, and editorials about why residents should buy local.

LOCAL FIRST CAMPAIGNS

More than a dozen cities in the United States now have Local First campaigns, which are encouraging residents—consumers, investors, businesspeople, and policymakers—to keep their economic transactions (spending, investing, hiring, supporting) local. The first campaign to get off the ground was in Bellingham, Washington, a coastal city north of Seattle. At the time a husband and wife team, Derek and Michelle Long, were directing both the national of BALLE network and organizing their own business community in Whatcom County (which contains Bellingham) under the name *Sustainable Connections*, and it made sense for them to undertake market research and framing of their own Local First Campaign as a model for what might be seeded nationally.

Fast forward three years, and *Sustainable Connections* now involves 500 local businesses. The week before Thanksgiving is "Buy Local Week," when Christmas shoppers are encouraged to do their spending at local stores. The best selling book in Village Books is the organization's coupon



AFTER MAINE PAPER MILL CLOSINGS PUT HUNDREDS OUT OF WORK, A BUY-LOCAL STUDY SHOWED THAT AN EQUIVALENT NUMBER OF JOBS COULD HAVE BEEN CREATED IF RESIDENTS SPENT THEIR DOLLARS IN THE LOCAL ECONOMY.

book called *Where The Locals Go*, now in its fourth edition and featuring discounts from 160 member businesses. Throughout the rest of the year Sustainable Connections distributes “Retail Kits” that arms local businesses with a window poster, a “Think Local First” decal, a “Tip Sheet for Making the Campaign A Success,” frequently asked questions and answers, a CD-Rom with monthly marketing materials, “The Top Ten Reasons to Think Local,” as well as a sheet of logos for public display and for print advertisements. It also prints seasonally appropriated promotional materials, like “Be A Local Lover” is for Valentines’ Day and “Make Mom Proud” on Mothers’ Day. One of its July 4th posters shows sepia pictures from another buy-local campaign, 100 years earlier, to “Celebrate Your Independents!” The Longs have synthesized their work into a fabulous handbook called *Think Local First: A How-To Kit*.



100-MILE STYLE COULD APPLY JUST LIKE THE 100-MILE DIET: A SMALL-MART CULTURE WHERE YOU CAN LOOK YOUR CHAIR-MAKER IN THE FACE LIKE YOU DO YOUR FARMER AT THE FARMERS’ MARKET.

The bumper stickers say: “Buy Local or Bye-Bye Local” or “Buy Fresh: There’s No Taste Like Home.” “Think Local, Buy Local, Be Local” has become the slogan of the movement, and the image of nearby Mount Baker its image. Both are emblazoned on the chest of their “Be Local” bee mascot, which has appeared on T-shirts, pins, and window posters, and even has ridden a giant trike around the commercial district. Participants in the “buy fresh” campaign are connecting local farmers with local restaurants and markets and have advertised their work by participating in local races as local produce—two potatoes in a canoe, an eggplant mountain biker, and a running carrot. Sustainable Connections also has deployed a big bingo wheel at community events, occasionally spun by the mayor, who hands out prizes from local stores.

Everyone is starting to notice. The head of the local community foundation calls *Sustainable Connections* the community’s most important nonprofit. The mayor of

Bellingham considers it one of the most important economic development agencies. After the Longs presented their work to the newly elected governor of Washington, Christine Gregoire, she said that she wanted to see the Local First vision replicated across the state. “And,” adds Michelle Long, with justifiable pride, “we’re only three and a half years old.”

“Three years ago,” says John D’Onofrio, owner of Northwest Computer, “being ‘local’ was a non-issue. Now there isn’t a day that goes by that someone doesn’t say they are in supporting our business because we are local and that it is important to them. In the fifteen years that I have owned

my business, I have found Sustainable Connections to be the most effective, most rewarding, and most cost-effective organization I have encountered.”

BUSINESS ALLIANCES

There is a long history worldwide of businesses offering one another mutual support in guilds, professional associations, even in barn-raising. Three quarters of a century ago, local businesses in Switzerland decided to support one another through barter, reciprocal credit circles, technical assistance, and targeted purchasing. The Economic Circle, or WIR, has grown to involve about 85,000 businesses, a fifth of all Swiss firms, and its own bank circulates about \$1.2 billion each year.

Through the Chamber of Commerce, through chapters of BALLE or the American Independent Business Alliance (AMIBA), and through special-purpose associations, businesses are leading efforts to change their community's economic landscape. The Sustainable Business Network (SBN) in Philadelphia, for example, actively encourages members to buy from one another. Several of the bigger members participate in the city's local currency project. SBN nudges its members to place their retirement accounts in the Philadelphia Reinvestment Fund, which is one of the very few financial institutions in the country that actually prioritize LOIS business. Every year, the organization holds a local business fair, in which the best examples of competitive LOIS firms are showcased in every category imaginable, including manufacturing. It also has launched an ambitious Local First Campaign with radio spots, ads on the sides of buses, and door-knob hangers.

In some communities, collaborative networks have been most effective with similar kinds of businesses. As was true in Philadelphia, restaurants appear to be an especially robust starting point. Tucson Originals is a group of more than 40 restaurants encouraging Arizonans to eat local. It helped create the Arizona Independent Restaurant Alliance, which purchases for its 120 members food and other supplies in bulk and at a discount. Member restaurants in Kansas City Originals have prepared joint advertisements and tabletop signs encouraging patrons to eat at one another's establishments. With a dozen other such groups now operating, a national network has formed, the Council of Independent Restaurants of America.

Northern Italy has generated enormous new wealth since World War II once its small businesses joined together to manufacture whatever the market demanded. These flexible manufacturing networks have come to regions in the United States in the form of clusters of like-minded, collaborating small businesses. North Carolina has been building a network of 277 hosiery manufacturers, with the Hosiery Technology Center based at two community colleges providing research, training, and coordination services for the industry. The Appalachian Center for Economic Networks (ACENet) has been building a cluster of more than 150 food enterprises in southeastern Ohio through a Food Ventures Center, where entrepreneurs can rent kitchen equipment to test ideas.

LOIS SUPPORT ENTERPRISES

Smart LOIS entrepreneurs are beginning to see opportunities for developing businesses that support all LOIS businesses. Derrell Ness, for example, is now trying to develop a local gift-card technology for his BALLE network in Portland, Oregon. Others groups are developing local loyalty, debit, and credit cards, each of which provides discounts or other benefits whenever the card is used with a local vendor. A new national company called Interra is offering to provide an affordable electronic platform for these cards.

Another buy-local innovation waiting to be grabbed by a LOIS entrepreneur is the Oregon Marketplace, which was founded in the early 1980s to pump up the state's economy by convincing in-state businesses to buy from other in-state businesses. Focusing on the location of the businesses, rather than the ownership, the scheme is only a rough draft for what should be done. It also was an imperfect business model, relying on annual infusions of money from the state lottery. When public funding dried up, the Marketplace had not quite reached the point of self-sufficiency and had to be shut down. But at the peak of its operation, in the early 1990s, the Marketplace was transacting \$34 million of input-replacing contracts per year. By charging finders' fees on the new in-state contract recipients, the Marketplace was able to pay some of its way.

Business-to-government (B2G) procurement also offers some intriguing LOIS business opportunities. Few LOIS businesses today bother with government contracts. As is true for most government programs, the paperwork around these contracts—for bidding, tracking, and accounting—is intimidating, and certainly beyond the capacity of many small businesses. Around the country, however, entities have arisen to provide local foodstuffs to public schools. These so-called “farm-to-school” programs develop expertise in the contracting niche, recruit individual farmers who would never consider bidding on their own, handle the paperwork, and aggregate their fruits and vegetables into bigger, more compelling bids. Some of these programs are voluntary or grant funded, but others use existing food cooperatives, farmers markets, wholesalers, or food service companies. There is no good reason why entities could not be created to mobilize small businesses to bid on all kinds of government contracts.

Another area ripe for a LOIS business model is entrepreneurship training. The Training & Development Corporation is developing an entity called VenturePower, which will work with existing business incubators in the state and attempt to supercharge them to promote LOIS entrepreneurship. The basic idea is to use existing incubators to develop new, small-scale industries that provide goods and services that meet the kinds of demands found in every community.

An example is hydroponics—the use of small greenhouses to grow food intensively in greenhouses. With small, well-designed hydroponics industries, almost every community in Maine could have fresh, affordable, locally grown produce. VenturePower might work with half a dozen

incubators to start hydroponics firms in each. It would then organize a “Learning Community” with six entrepreneurs who will meet two or three times a year, speak on conference calls weekly, and communicate regularly through e-mail. They would be supported by the expertise of established hydroponics operators. This network would share business plans and form a purchasing group that could get discounts on key inputs. The current design also calls for VenturePower to finance itself like a venture capital firm.

CONCLUSION

THERE’S no reason to choose among these possibilities. Each appeals to different players in the region. Academics will be drawn to the studies. Activists will favor public education. Entrepreneurs will join the business alliances. And some businesspeople, with the assistance of local investors, will launch promising enterprises. NDA can encourage a number of them by working with these players, separately and together, and by playing the roles of supporter, cheerleader, and publicist as the efforts go forward.

But how might these options be prioritized? In terms of strategy, we think Aladdin was right when he made his first wish to have a thousand more wishes. For the Northern Dutchess region, a successful enterprise to advance LOIS, like the Oregon Marketplace, might be the best place to start. Besides educating the public and drawing in local business people, it can generate a cash flow that can help to underwrite other activities, whether studies or public education.

The region should look at the list of possible LOIS-support enterprises that can generate revenue, choose one or two that are most consistent with the values and attitudes of Northern Dutchess communities, and undertake careful *Blueprinting* and implementation.

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APPENDIX I : SAMPLE CAPACITY INVENTORY

Hello. I'm with (local organization name). We are talking to people about their skills. With this information, we hope to help people contribute to improving the neighborhood, find jobs or start businesses. May I ask you some questions about your skills abilities?

PART I: PERSONAL SKILLS

Now I'm going to read to you a list of skills. It's an extensive list, so I hope you'll bear with me. I'll read the skills and you just say "yes" whenever we get to one you have.

We are interested in all your skills and abilities. They may have been learned through experience in the home or with your family. They may be skills you've learned at church or in the community. They may also be skills you have learned on the job.

HEALTH

- ☐ Caring for the elderly
- ☐ Caring for the mentally ill
- ☐ Caring for the sick
- ☐ Caring for the physically disabled or developmentally disabled

(If yes answered to 1, 2, 3, or 4, ask the following:)

Now I would like to know about the kinds of care you provided.

- ☐ Bathing
- ☐ Feeding
- ☐ Preparing special diets
- ☐ Exercising and escorting
- ☐ Grooming
- ☐ Dressing
- ☐ Making person feel at ease

OFFICE

- ☐ Typing (words per min___)
- ☐ Operating adding machine/calculator
- ☐ Filing alphabetically/numerically
- ☐ Taking phone messages
- ☐ Writing/composing business letters (not typing)
- ☐ Receiving phone orders
- ☐ Operating switchboard
- ☐ Keeping track of supplies
- ☐ Shorthand or speedwriting
- ☐ Bookkeeping
- ☐ Entering info into computer
- ☐ Word processing

CONSTRUCTION AND REPAIR

- ☐ Painting
- ☐ Porch construction or repair
- ☐ Tearing down buildings

- ☐ Knocking out walls
- ☐ Wall papering
- ☐ Furniture repairs
- ☐ Repairing locks
- ☐ Building garages
- ☐ Bathroom modernization
- ☐ Building home additions
- ☐ Tile work
- ☐ Installing drywall and taping
- ☐ Plumbing repairs
- ☐ Electrical repairs
- ☐ Bricklaying and masonry

(Stop here if no affirmative response by this point)

CABINETMAKING

- ☐ Kitchen modernization
- ☐ Furniture making
- ☐ Installing insulation
- ☐ Plastering
- ☐ Soldering and welding
- ☐ Concrete work (sidewalks)
- ☐ Installing floor coverings
- ☐ Repairing chimneys
- ☐ Heating/cooling system installations
- ☐ Putting on siding
- ☐ Tuckpointing
- ☐ Cleaning chimneys
- ☐ Installing windows
- ☐ Building swimming pools
- ☐ Carpentry skills
- ☐ Roofing repair or installation

APPENDIX I : SAMPLE CAPACITY INVENTORY (CONTINUED)

MAINTENANCE

- ☐ Window washing
- ☐ Floor waxing or mopping
- ☐ Washing and cleaning carpets/rugs
- ☐ Routing clogged drains
- ☐ Using a hand truck in a business
- ☐ Caulking
- ☐ General household cleaning
- ☐ Fixing leaky faucets
- ☐ Mowing lawns
- ☐ Planting/caring for gardens
- ☐ Pruning trees and shrubbery
- ☐ Cleaning/maintaining swimming pools
- ☐ Floor sanding or stripping
- ☐ Wood stripping/refinishing

FOOD

- ☐ Catering
- ☐ Serving food to groups (over 10)
- ☐ Clearing/setting tables for groups (over 10)
- ☐ Washing dishes for groups (over 10)
- ☐ Operating commercial food prep equipment
- ☐ Bartending
- ☐ Meat cutting
- ☐ Baking

CHILDCARE

- ☐ Caring for babies (under 1 year)
- ☐ Caring for children (1 to 6)
- ☐ Caring for children (7 to 13)
- ☐ Taking children on field trips

TRANSPORTATION

- ☐ Driving a car
- ☐ Driving a van
- ☐ Driving a bus
- ☐ Driving a taxi
- ☐ Driving a tractor trailer
- ☐ Driving a commercial truck
- ☐ Driving a vehicle/delivering goods
- ☐ Hauling
- ☐ Operating farm equipment
- ☐ Driving an ambulance

OPERATING EQUIPMENT & REPAIRING MACHINERY

- ☐ Repairing radios, TVs, VCRs, Tape recorders
- ☐ Repairing other small appliances
- ☐ Repairing automobiles
- ☐ Repairing trucks/buses
- ☐ Repairing auto/truck/bus bodies
- ☐ Using a forklift
- ☐ Repairing large household equipment (e.g. refrigerator)
- ☐ Repairing heating and air conditioner system
- ☐ Operating a dump truck
- ☐ Fixing washers/dryers
- ☐ Repairing elevators
- ☐ Operating a crane
- ☐ Assembling items

SUPERVISION

- ☐ Writing reports
- ☐ Filling out forms
- ☐ Planning work for other people
- ☐ Directing the work of other people

- ☐ Making a budget
- ☐ Keeping records of all your activities
- ☐ Interviewing people

SALES

- ☐ Operating a cash register
- ☐ Selling products wholesale or for manufacturer
(which products _____)
- ☐ Selling products retail
(which products _____)
- ☐ Where have you sold these products or services?
(Check if yes) ☐ Door to door ☐ Phone ☐ Mail
- ☐ Store ☐ Home

MUSIC

- ☐ Singing ☐ Play an instrument
(Which instrument(s)? _____)

SECURITY

- ☐ Guarding residential property
- ☐ Guarding commercial property
- ☐ Guarding industrial property
- ☐ Armed guard
- ☐ Crowd guard
- ☐ Ushering at major events
- ☐ Installing alarms or security systems
- ☐ Repairing alarms or security systems
- ☐ Firefighting

OTHER

- ☐ Upholstering
- ☐ Sewing
- ☐ Dressmaking
- ☐ Crocheting
- ☐ Knitting

- ☐ Tailoring
- ☐ Moving furniture or equipment
- ☐ Managing property
- ☐ Assisting in the classroom
- ☐ Hair dressing
- ☐ Hair cutting
- ☐ Phone surveys
- ☐ Jewelry or watch repair

Are there are other skills that you have which we haven't mentioned?

- ☐ _____
- ☐ _____

PRIORITY SKILLS

1. When you think about your skills, what three things do you think you do best?

- ☐ a. _____
- ☐ b. _____
- ☐ c. _____

2. Which of all your skills are good enough that other people hire you to do them?

- ☐ a. _____
- ☐ b. _____
- ☐ c. _____

3. Are there any skills you would like to teach?

- ☐ a. _____
- ☐ b. _____
- ☐ c. _____

4. What skills would you most like to learn?

- ☐ a. _____
- ☐ b. _____
- ☐ c. _____

APPENDIX I : SAMPLE CAPACITY INVENTORY (CONTINUED)

PART II: COMMUNITY SKILLS

*Have you organized or participated in any of the following community activities?²
(Check first box if yes)**

- ☐ ☐ Boy scouts/girl scouts
- ☐ ☐ Church fundraisers
- ☐ ☐ Bingo
- ☐ ☐ School-parent associations
- ☐ ☐ Sport teams
- ☐ ☐ Camp trips for kids
- ☐ ☐ Field trips
- ☐ ☐ Political campaigns
- ☐ ☐ Block clubs
- ☐ ☐ Community groups
- ☐ ☐ Rummage sales
- ☐ ☐ Yard sales
- ☐ ☐ Church supporters
- ☐ ☐ Community gardens
- ☐ ☐ Neighborhood organization
- ☐ ☐ Other groups or community work?

**Let me read the list again. Tell me in which of these you would be willing to participate in the future.
(Check second box if yes)*

PART III: BUSINESS SKILLS

A. Business Interest

1. Have you ever considered starting a business?²

☐ Yes ☐ No. If yes, what kind of business did you have in mind? _____

2. Did you plan to start it alone or with other people?²

☐ Alone ☐ w/Others

3. Did you plan to operate it out of your home?²

☐ Yes ☐ No ☐ Other _____

☐ 4. What obstacle kept you from starting the business?² _____

B. Business Activity

1. Are you currently earning money on your own through the sale of services or products?²

☐ Yes ☐ No ☐ Other _____

2. If yes, what products or services do you sell?²

3. Whom do you sell to?²

4. How do you get customers?²

5. What would help improve your business?²

PART IV: PERSONAL INFORMATION

Name _____

Address _____

Phone _____ Email _____

Age _____ (if precise age is not given, ask whether the person is in the teens, 20s, 30s, etc)

Sex: ☐ F ☐ M

(Closing) Thank you very much for your time.

PART V: INTERVIEWER INFORMATION

Source _____ Place _____

Interviewer _____

APPENDIX 2: CONTACT LETTER FOR ORGANIZATIONS

Your Name
Address
Phone number

St. Matthew's Episcopal Church
3333 Bayside
Chicago, IL 60000

Date

Dear Reverend

The Northwestern University Center for Urban Affairs and Policy Research is working on a project involving local communities. We believe that clubs and organizations are vital parts of communities, and we are trying to gather information and compile a list of local community clubs and organizations.

We see the church as a primary focal point of community activity, both through the groups that are sponsored by the church and through groups that utilize the church as a meeting place. As part of our project, we would like to document the various groups that are connected in any way to your church. During the week of February 22-29, I will be calling to ask a few questions about the clubs and organizations your church sponsors and about any other groups that simply meet at your church. It will only take five to ten minutes of your time.

Before our call, we would appreciate you looking over the enclosed list* of different types of groups. Could you please note the groups that are connected with your church? Then, when we call, we will simply go over the list with you.

We greatly appreciate your time and cooperation. If you should have any questions, please feel free to give me a call.

Sincerely,

Your Name
Research Assistant

APPENDIX 3: CONTACT LETTER FOR INDIVIDUALS

Your Name
Address
Phone number

Mr. James Brown
3000 W. Barnack Street
Chicago, IL 60000

Date

Dear Mr. Brown

I am writing to ask your help in a project being conducted by our Center for Urban Affairs and Policy Research.

We believe that local clubs and organizations are important parts of local communities. Therefore, we are trying to compile a list of the kinds of clubs and organizations in which people in Chicago's neighborhoods participate.

As part of this project, we have chosen your name at random and would like to ask you about the various groups and clubs with which you are involved. Therefore, during the week of January 6 through January 13, one of my research associates will telephone and ask you a few questions for our survey. It will only take ten or fifteen minutes of your time.

Before our call, we would appreciate your looking over the enclosed list* of clubs and organizations. Could you note the groups you are involved with? Then, when we call, we will simply go over the list with you.

I appreciate your cooperation. If you should have any questions, feel free to give me a call.

Sincerely,

John L. McKnight

Enc.

Sample Letter for Contacting Individuals about Associations adapted from *Building Communities from the Inside Out: A Path Toward Finding and Mobilizing a Community's Assets*, Evanston, IL: Institute for Policy Research (1993), pg. 132

APPENDIX 4: SAMPLE PHONE CALL SCRIPT

The most obvious way to find out about groups people belong to is to ask them personally. But this is harder than reading the newspaper or asking the local clergyman or librarian. You have to identify which people to survey, find an efficient way to contact them, and ask the right questions so that people will cooperate without feeling their privacy is being compromised.

We sent letters (see Appendix 2 for sample letter for contacting individuals about associations) to sample residents. We explained the project and enclosed a list* of sample organizations suggesting different kinds of associations they might know.

Within one week, we followed up the letters with phone calls. Aware that some people might be suspicious of being asked what groups they belong to, we stated immediately that we were working under the auspices of a university-sponsored project. You may want to identify your research with some respected local institution or organization. We began each phone call by saying:

Hi, my name is _____ and I'm with the Center for Urban Affairs and Policy Research at Northwestern University. Did you receive our letter? I'm interested in any clubs or organizations you've heard of, participated in, or are a member of.

We also called some people “cold” (without sending the letter first), saying:

Hi, my name is _____ and I'm with the Center for Urban Affairs and Policy Research at Northwestern University. We're conducting a very brief survey on clubs and organizations in your neighborhood. We don't need your name, we're only interested in the names of clubs and groups you know. Would you be able to answer the questions now?

We quickly learned it was too tedious to go through our list asking about each kind of organization individually. Instead, we learned to ask a few open-ended questions:

- Can you name any groups you've heard of or participated in? Does it meet in your neighborhood?
- Is there a local neighborhood organization in your area? What about a book club?
- Is there any church or religious organization you're involved with? If yes, within the church, are there any other groups or clubs that you are a part of?
- Are there any other special interest groups that you or people in your family are in – such as women's or men's groups, veteran organizations, artistic clubs, or other clubs?
- What about informal groups? Do you get together or associate with your neighbors?
- How else do you feel a part of the community? How else do you get involved in your neighborhood?

Sample Call Script for Contacting Individuals about Associations adapted from *Building Communities from the Inside Out: A Path Toward Finding and Mobilizing a Community's Assets*, Evanston, IL: Institute for Policy Research (1993), pg. 116-118



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