



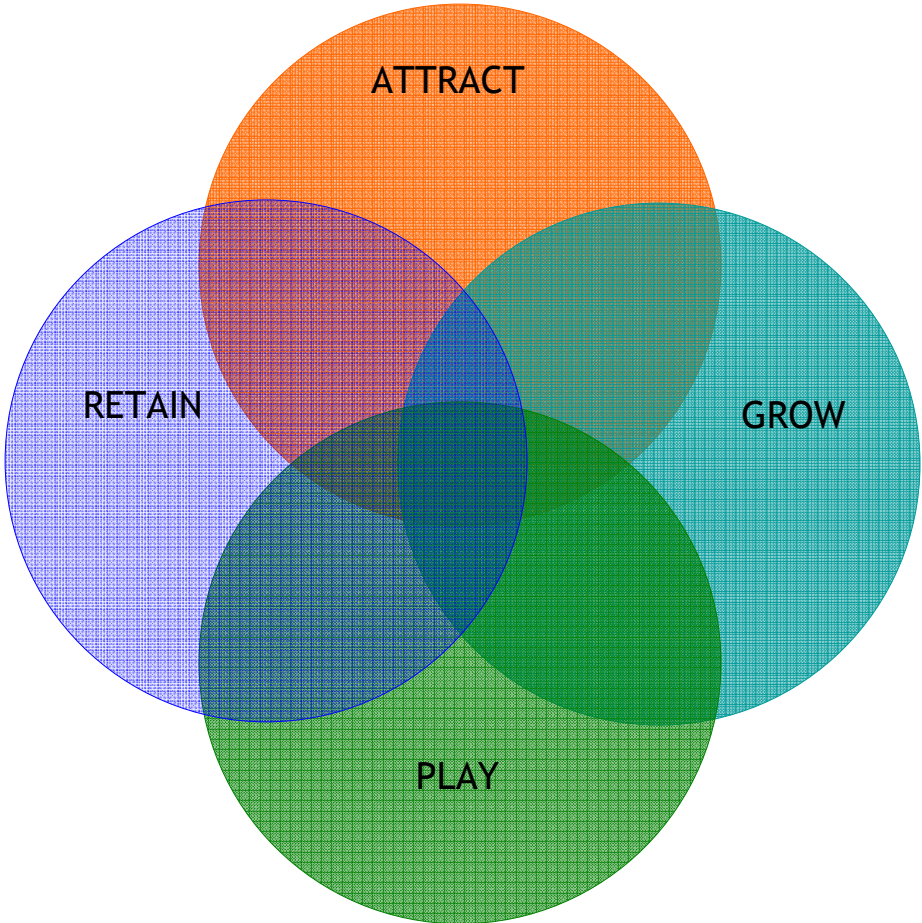
Dutchess County Economic Development Corporation

2010 Annual Report

DCEDC MISSION: Attract, Retain and Expand (for-profit and not-for-profit) business in Dutchess County.

DCT MISSION: Bring Tourism Dollars to Dutchess County by marketing and promoting the assets of the County.

DCEDC VISION: To partner with internal and external stakeholders in order to create a brilliant future for our county and its residents by competing aggressively for jobs, capital and talent, enhancing the quality of life for the residents by continuing to promote Dutchess County as the première place to work, play and raise a family.



Dear Colleagues:

We are all colleagues and partners in this great enterprise called Dutchess County. We work here, or we live here, or we play here, or, or, or.... Dutchess County remains, economically, among the fastest growing counties in the fastest growing region of the State. We are evolving, not just into the so-called *knowledge economy* but a into truly *sustainable innovation based economy* that builds things, that develops things and nurtures intellectual capital.

Despite the wretched economy, DCEDC continued to be extraordinarily active in 2010 with business attraction, retention, and expansion. Indeed Dutchess County is among the leaders of the New York Recovery. The results are highlighted below:

Not conceding anything to Westminster Abbey, Rhinebeck hosted its own *royal wedding* when Chelsea Clinton and Mark Mezvinsky chose *Astor Courts* as their special place. You can not assess a dollar value to the publicity, acclaim, and good will generated by the exceptional welcome by the Town and Village.

During the early days of January, I met with Mike DiGonis, owner of MetroKing Motors, who is building the MetroKing, the taxi-of-the-future here in Poughkeepsie.

We have seen the arrival of new manufactures Illinois Tool Works, Municipal Emergency Services, and Life Medical Technologies. We have also seen challenges with the WARN notice by SpectraWatt in mid-December.

In the waning weeks of the year I met with Ethan Cohen, the new owner of the old Beacon High School. His vision there will nurture the arts and the creative class and further nurture our gateway city; enticing visitors and émigrés from New York into the great Hudson Valley.

Through it all Team Dutchess has rallied and continued to build this community, to forge a new future on the banks of the Hudson River. Who is Team Dutchess? It is all of us, from the innovator, to the Chamber member, to the large corporation who all band together to present the best face to a newcomer or to come to the aid of a troubled company; all with the attitude of “what ever it takes...”

I believe in the Dutchess and I believe in the *NEW* New York.



DCEDC MISSION: ATTRACT

Attraction of new companies into Dutchess County in 2010 was highlighted by the manufacturers Life Medical Technologies, Municipal Emergency Services and Illinois Tool Works. LMT is expected to grow to more than 250 over the next three years producing the life-saving Breast Care DTS breast-cancer detection device, ITW is infusing Millerton with 25 new skilled jobs and MES has established a toe-hold with eight new manufacturing jobs. Associated Grocery is bringing Poughkeepsie's first supermarket to the former Davis Furniture store, Global Foundries quietly consolidated researchers in East Fishkill and Mount Kisco Medical Group continues its northern expansion.



County Executive Steinhaus welcomed Life Medical to Dutchess last September, “Our TEAM DUTCHESS worked very hard to convince the Company to choose Dutchess County. This is an important win for TEAM DUTCHESS and the Dutchess County business community. Our high quality, skilled workforce and hands on approach to working directly with business leaders have continued to make Dutchess County an attractive location for innovative companies like Life Medical Technologies who are looking to expand and grow.”

LMT will make significant investment in construction work, equipment and materials and other investments at the IBM East Fishkill Building 320 on the Hudson Valley Research Campus. Operations are expected to ramp up quickly with production starting by early 2011.

“Life Medical’s focus is life-enhancing and cost-effective diagnostic solutions. We found that the benefits of relocating to Dutchess County fit exactly into our company criteria and values,” said Carol Fitzgerald, CEO of Life Medical Technologies. “The state and local assisted program along with the

infrastructure in the IBM facility provide excellent cost-effectiveness. The quality of life in the area including the talented people, location, and collaborative spirit is exactly what we need to produce this important new tool to fight breast cancer throughout the world.”

Known by The Company you Keep

Our reputations are made by the company we keep, Many thanks to our External Marketing Council for their ongoing support.

Acadia Hudson	Kirchhoff Construction Management Inc
Associated Aircraft Group	M&T Bank
Beacon Terminal Assoc.	Mahopac National Bank
Castagna Realty Co Inc	Marshall & Sterling Services
Central Hudson Gas & Electric Corporation	Page Brothers Enterprises
Chazen Company	Patrick Properties
Darlind Construction	Perreca Electric Co
Environmental Remediation Services Inc	Poughkeepsie Business Park
Henry Page Development	Prudential Serls Prime Properties
Herbert Redl	Putnam County Savings Bank
HSBC Bank	Riverside Bank
Hudson Valley FCU	T C Development Corp
IBM Corporation	Thylan Associates
Jotemar Properties / Fallkill	Westage Management

Properties	
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DCEDC MISSION: RETAIN

Support of existing businesses included the IDA/LDC support for major expansions of Health Quest, Anderson Center for Autism, Adams Fairacre Farms and Mechtronics. DCEDC support included an extensive, largely unsuccessful promotion of the Green Revolving Loan Fund which will be re-examined in 2011. We conducted educational programs on cost-effective marketing, NYS incentive programs and government contracting. We met with more than 100 companies on-site and provided direct assistance to more than 50 unique business entities. The expansion of Health Quest's Vassar Brothers Medical Center will have region-wide implications as VBMC joins the likes of Mt. Sinai, Albany Med and Westchester Medical Center as a premiere medical magnet. The 200 or so jobs to be created by the Adams expansion will bring young people into the workforce in a professional stable environment as it has been with their other three operations.

Trouble at the end of the year: SpectraWatt issued a WARN notice on 21 December 2010. Major investors Intel and Goldman declined to provide a second round of financing. The major European subsidies known as Feed in tariffs in Germany, Italy and Spain were radically reduced, laying bare the fragile nature of the economics in the solar industry. The European winter was earlier and more severe than expected. Massive response by The Solar Energy Consortium, Hudson Valley Economic Development Corporation, Ulster County Development Corporation, Empire State Development Corporation and others, as a transformation of *Team Dutchess* into a Dutchess-led *Taskforce Hudson Valley* sought, and continues to seek out merger partners, customers and a major slice of the New York Power Authority's 100MW solar initiative. Any demise of SpectraWatt could have a chilling effect upon the entire nascent Hudson Valley solar cluster.

DCEDC MISSION: GROW

Mechtronics is undergoing a \$7 million expansion. Their current Dutchess County employment is about 34 and they are projecting 105 new [to] Dutchess jobs over the next two years. They are about to commence construction on their existing 80KSF facility in 2011 which will expand by an additional 64KSF to max out at 144 thousand square feet (KSF)



During 2010, Mechtronics expanded its flex-workforce to more than 300 while completing a project for a major US manufacturer. The Company produces point-of-sale displays for items like Dr. Scholls inserts, Gillette razor blades, and batteries for retailers such as *Wal-Mart*, *CVS*, and *Rite Aid*.



This year, the Dutchess County **IDA/LDC** roared back with a vengeance. In the fourth quarter of 2010 the IDA/LDC assisted the following entities:

- Anderson Center for Autism
- Health Quest – LDC
- Mechtronics – IDA
- Poughkeepsie Day School
- Adams Fairacre Farms

Vassar Brothers Medical Center is building a 78KSF, \$66 million expansion on its Poughkeepsie campus and expects to complete the project by the fall 2011. The new construction will house a new state-of-the-art ambulatory surgery center with four new operating rooms, which will relocate out-patient surgery so as not to compete with in-patient surgery and conflicts of scheduling. The new structure will also include a Medical Office Building, a 900 space parking garage and a café and retail space. Concurrently,



Vassar is undergoing a hospital-wide conversion to single patient rooms. Which will enhance patient comfort and reduce the spread of infection.

Implied MISSION: support

The locally administered Poughkeepsie/Dutchess **Empire Zone** was allowed to sunset by New York State and replaced by the centrally managed Excelsior Jobs Program. **DCEDC retains administrative responsibility** for the companies retaining certification, and is doing so without any administrative funding for the program.

The sunset of the program along with changes to sales tax regulations resulted in an **increased requirement for technical assistance by DCEDC staff** to certified businesses in 2010. An apparent increase in NYS tax and finance auditing of companies utilizing zone credits also **imposed an increased demand on DCEDC technical support**. DCEDC provided direct technical assistance to all 200+ certified businesses and provided assistance and resolution to over 400 individual calls requesting information regarding the ability to claim Empire Zone tax credits.

As of year-end 2010, 218 companies remained certified in the Poughkeepsie/Dutchess Empire Zone, with five additional companies awaiting final approval by the state. These companies have not yet been approved inasmuch as they are only beginning the hiring process and therefore do not have unemployment, disability or workers compensation insurance policies in place. Currently certified companies can continue to utilize their ten year benefit period as long as they continue to comply with state regulations and meet the eligibility criteria for the tax credits.

DCT MISSION: PLAY

This portion of the Annual Report is dedicated to the memory of our late colleague, Mary Wright, who was a key team member for 15 years assisting visitors to our county with kindness, enthusiasm and accurate information during her tenure. She will leave a gaping void at Dutchess County Tourism.

Dutchess remains the **place to play** as evinced by 49 writers coming on familiarization tours, an increase of approximately 5 percent in the “bed-tax,” 710 requests for hotel referrals, the 1,300 or so participants in the Farm Fresh program, the more than 500 followers on Facebook and thousand or so Twitter followers... The Walkway, the Clinton Wedding, the Balloon Fest, the CIA, the mansions and the Aerodrome all shout Dutchess County to the World.....

The economic rebound is nowhere more evident than in the money spent by visitors to our county. **“Bed Tax” is up around 5% about \$1.9 million.** 37 news releases and media advisories to 70 local, 350 regional and 300 national news outlets resulted in *earned media* coverage valued at \$2 million dollars. We designed and launched a new logo and tag line with press conference in May.



This year DCT designed and printed a new travel guide and distributed 75,000 copies through tourism information centers and other physical outlets as well as approximately 12,000 electronic responses and PDFs. We have about 1,500 followers on Facebook and Twitter and our web site averages nearly 1,100 visitors daily. We capitalized on our very successful **Farm Fresh Program** which we look to expand this year. This program brought an additional 1,300 people to Dutchess County farms from the New York metropolitan area up from 525 in 2007.

Tourism collaborated in four promotions in 2011--the Garden of Eating Tour; Bike Hudson Valley; Great Estate consortium and HV Restaurant Week

Not only did we think we were good during 2010, but so did others as we won the Northern Dutchess Alliance Charting Our Course – 2010 Award, the 2010 Headliner Award – Leadership in Organization & Community, and the Inaugural Victoria A. Simons Locavore Award. Our director was granted one of two scholarships to attend the 2010 International Culinary Tourism Conference

Celebrate Excellence

Health Quest

This year the Business Excellence awards celebrated innovation and excellence in Dutchess County. The Grand Award winner – IBM – epitomized the event as did our quintessential medical-innovative partner Health Quest, our presenting sponsor.

IBM is the gold standard when it comes to innovation and invention. IBM announced that it received 4,914 U.S. patents in 2009, marking the 17th consecutive year it has topped the list of the world's most inventive companies. IBM also announced that, for the first time, it will offer its invention know-how and patent portfolio management software to clients seeking to enhance their intellectual property management capabilities in support of innovation-based growth strategies .

IBM innovation also powers Dutchess County's own Beacon Institute. IBM's Smarter Planet initiative, support of young women entering engineering and nurturing of companies like Life Medical Technologies are all sparking a revitalization of the County and region.

But that's not all --

A pioneer in the deployment of solid-state or LED lighting systems, Innovation winner - LitGreen has been a leader in the use of low energy consumption lighting systems. Tourism co-winners, the Town and Village of Rhinebeck were the hospitality kings. Scott Mayerowitz of ABC News wrote: "Didn't score a ticket to one of this summer's hottest weddings, the marriage of Chelsea Clinton and Marc Mezvinsky? That's all right, neither did we. But that doesn't mean that you can't enjoy the quaint village of Rhinebeck, N.Y." Leading the local food movement was Bangal's Red Devon one of the most popular farm-to-table restaurants in the Hudson Valley. Among the most aggressive and creative participants in the local commercial real estate market are the Page brothers. Page Park Associates was our entrepreneurial winner. A little grey hangs over our manufacturer; SpectraWatt seemed a pretty easy choice for an award this year. Yet a

month after being feted and touted for expansion, the Company fell victim to market forces and requires all the expertise of Team Dutchess and Taskforce Hudson Valley. If nothing else, SpectraWatt epitomized the fragility of our recovery. We celebrated the "creative class" with the Dutchess County Arts Council and small business acumen with Craig Thomas Pest Control which expanded from a one-person operation to a region-wide company employing more than 40 people.

Finally we conferred special recognition on *The Poughkeepsie Journal*, our voice and chronicler for 225 years. A voice of and proponent for Dutchess County.

Crystal Ball



On the horizon for the coming year we expect to see movement in at least one of the three hotel projects; CIA Hyatt, Wyndham or Silo Ridge. We expect to see steady progress with Advanced Power's Cricket Valley Energy and with the NYARNG project in Beekman. We think that there will be significant expansion in the Southern Dutchess region with the ramping-up of LMT, with Hudson Baylor, and in the beginning of the turn-around of Chevron-Texaco in Fishkill. Chevron Texaco has committed to maintaining ownership of the

Texaco Beacon Research Center through the clean-up and site prep period which will take years. They have formed a community advisory panel which will meet monthly. But the big news on this one is that the new owner (Chevron) recognizes that there are environmental issues with the site, caused by the legacy company and that they, the successor company owns the problem and will remediate the environmental issues.

There is a likelihood of movement on the West Campus and the anticipated opening of Adams in 4Q11. Lastly we are expecting an announcement in the first half of 2011 of an agri-tourism-manufacturing operation in Northern Dutchess. We will design and distribute a new travel guide with the focus on culinary tourism; it will feature a snapshot of local chefs, wine makers, brew masters, farmers, etc. We will host a conference on tourism-focused social media and we will expand our Farm Fresh Program with Metro North.

2010 DCEDC Colleagues

Pamela J. Balga, *Manager of Administrative Services*
Jasmin D. Haylett, *Office Administrator*
Lydia J. Higginson, *Deputy Director of Dutchess County, Tourism*
Lynn Heuermann, *Director of Finance and Human Resources*
Dawn Hopper, *Tour and Travel Marketing Manager, Tourism*
Theresa M. Kelly, *Empire Zone Coordinator (Position eliminated through RIF September 2010)*
Fred Lauricella, *E Tourism Information Services Manager*
Nancy Lutz, *Communications Manager, Tourism*
John MacEnroe, *President and CEO*
Catherine A. Maloney, *Director of Business Development*
Simone Obermaier, *Empire Zone Assistant*
Gordon S. Rutherford, *Director of Business Attraction*
Mary Kay Vrba, *Director of Dutchess County Tourism*
Mary Wright, *Tourism Resource Manager (Deceased September 2010)*

2010 DCEDC Board of Directors

Michael Arnoff, *President, Arnoff Moving and Storage, Inc.*
Joseph Bonura, Jr., *Managing Partner, Shadows and the Grandview*
Betsy Seaman Brown, *Director of Marketing, Morris Associates*
Paul P. Calogerakis, *Senior Vice President, Key Bank Corporate Banking*
Anthony S. Campagiorni, Esq., *AVP, Government Affairs & Economic Development, Central Hudson Gas & Electric Corp.*
Christy Huebner Caridi, PhD, *Affiliate Assistant Professor of Economics, School of Management, Marist College*
D. David Conklin, PhD, *President, Dutchess Community College*
Kathleen Durham, *Executive Director, Eleanor Roosevelt Center at Val-Kill*
Elizabeth A. S. Eismeier, *VP for Finance & Administration, Vassar College*
Pat Flaherty, *IBM Fishkill Site Operations Mgr., IBM Corporation*
Michael H. Graham, *Retired, M & T Bank Corporation*
Karen T. Hansen, CPA, *Partner, Sedore & Company CPAs, PC*
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Edward A. Kellogg, *Principal, Kellogg Development Company*
Joe Lepore, *President, L.C.S. Facility Group*
John MacEnroe, *President and CEO, Dutchess County Economic Development Corporation*
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Donald M. McGrath, *President, McGrath & Company, Inc.*
Thomas McQuade, *President & CEO, Associated Aircraft Group, Inc.*
G. Brian Morgan, Esq., *Corporation Counsel, City of Poughkeepsie*
Wayne L. Nussbickel, *President and CEO, N & S Supply, Inc.*
Charles S. O'Mara, CPA, *Sr. VP for Finance & Administration, the Culinary Institute of America*
Jason Page, *Managing Partner, Page Park Associates, LLC*
David Ping, *VP, Strategic Planning & Business Development, Health Quest*
Andrea L. Reynolds, *President and CEO, Community Foundation of Dutchess County*
Robert G. Rolison, *Chairman, Dutchess County Legislature*
Barry Rothfeld, *Publisher, Poughkeepsie Journal*
Kealy Salomon, *Commissioner, Dutchess County Planning and Development*
Robert L. Savage, *President and CEO, Saint Francis Hospital & Health Centers*
Kathleen Schibanoff, *Project Coordinator, Dover Knolls Development Company II, LLC*
William R. Steinhaus, *Dutchess County Executive*
Michael J. Tomkovitch, *Chairman, Dutchess County Industrial Development Agency*

