



Economic Trends in the Hudson Valley

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Report 5-2006

September 2005

Highlights

- Employment growth in the Hudson Valley outpaced job growth elsewhere in the State in the first eight months of 2005, continuing a trend that began in the mid-1990s.
- The educational and health services sector is one of the Hudson Valley's fastest-growing sectors—it increased by 2.8 percent during the first eight months of 2005—and is the second-largest private industry in the region.
- The leisure and hospitality sector has become an important part of the Mid-Hudson Valley economy, especially in Sullivan County. In 2004 employment in this sector made up 14.1 percent of all jobs in the county and 8.9 percent of employment in the region.
- Fueled by strong gains in the professional and business services and financial activities sectors, total wages in the Hudson Valley grew by 6.7 percent in 2004. Of the seven counties that comprise the region, total wage growth was strongest in Westchester.
- Through the first eight months of 2005, the labor force in the Hudson Valley has expanded, accounting for 50.3 percent of the increase in New York State's labor force.
- Through August 2005, the unemployment rate for the Hudson Valley declined to 4.1 percent from 4.7 percent during the same period last year. Putnam County's rate of 3.7 percent was the lowest in the region.
- More than 80 percent of the region's residents drive or carpool to work. Average commutes for residents in Dutchess, Orange, Rockland, and Westchester counties exceeded the national average, and within New York State, only residents of Nassau County and the New York City boroughs (except Manhattan) had longer commutes.
- Property values in Dutchess, Orange, and Rockland counties have grown by more than two thirds between 2000 and 2004. The lowest growth rate in the region was in Westchester County, which grew by 58.4 percent.

The Hudson Valley sustains a vibrant economy that is the strongest of any region in New York State. The Hudson Valley region includes the Lower Hudson Valley (Putnam, Rockland, and Westchester counties) and the Mid-Hudson Valley (Dutchess, Orange, Sullivan, and Ulster counties).

The economy of the Lower Hudson Valley has a high concentration of jobs in the relatively well-paying professional and business services sector. The Lower Hudson Valley also had the fastest growth in the State for employment within the financial activities sector.

Westchester County, in particular, has become a major business center that draws commuters from throughout the region, and most of the region's largest employers are located there. Overall, about 90 percent of the businesses in the Hudson Valley are small firms with less than 20 employees.

In the Mid-Hudson Valley, the tourism-related sector is rapidly expanding as a result of the area's historic sites, recreational facilities, and natural resources. In fact, growth in the leisure and hospitality sector accounts for almost half of all the jobs added in Sullivan County through August 2005.

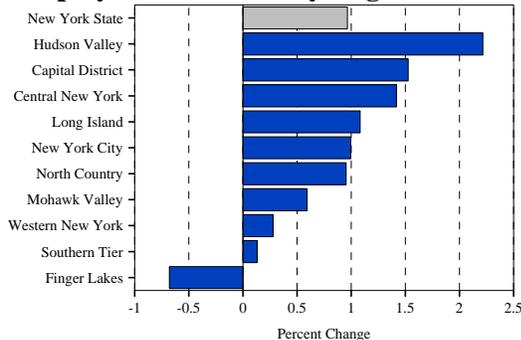
The entire Hudson Valley region had some of the highest home values in the State in 2004—Westchester had the highest, at \$570,000—and home values in every county increased by at least 8 percent last year. Overall, six of the seven counties in the region were in the top ten counties for home values in New York State.

Over the last decade, the Hudson Valley has become less dependent on New York City's economy as Westchester has developed into its own business center and small businesses have flourished. While this change has brought benefits to the Hudson Valley, it has also created new challenges for the region, such as traffic congestion and less affordable housing.

Employment

The strength of the Hudson Valley's economy in relation to the rest of New York State is evident in the area's employment growth, which has outpaced growth elsewhere in the State in the first eight months of 2005. Through August 2005, job growth in the Hudson Valley was 2.2 percent, well above the Statewide growth rate (1 percent) and the growth rate in the Capital District (1.5 percent), which had the second-highest growth rate in the State (see Graph 1).

**Graph 1
Employment Growth By Region in 2005**



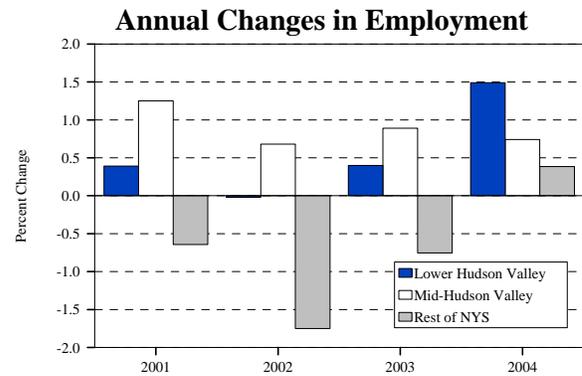
Note: Growth is for the first eight months of 2005 compared to the same period in 2004.
Source: NYS Department of Labor

In 2004, Hudson Valley employment reached an all-time high of 904,900 jobs, and accounted for 10.7 percent of all jobs in the State. The increase that year (10,800 jobs) represented more than one quarter of all jobs added in the entire State.

Except for a loss of 100 jobs in the Lower Hudson Valley in 2002, employment has increased annually since 1994 in both the Lower Hudson Valley and the Mid-Hudson Valley regions. Between 2000 and 2004, employment in the Lower Hudson Valley increased at an average annual rate of 0.6 percent, while the average growth rate in the Mid-Hudson Valley was slightly higher at 0.9 percent. In the rest of the State, employment declined at an average annual rate of 0.7 percent during the same period (see Graph 2).

Private sector employment is growing strongly in the Hudson Valley, increasing by 2.3 percent during the first eight months of 2005. Since 2000, the number of private jobs has increased at an average annual rate of 0.3 percent in the Lower Hudson Valley and 0.9 percent in the Mid-Hudson Valley. The Mid-Hudson Valley is the only area of the State in which the number of private sector jobs has increased every year since 2000. In total,

Graph 2



Source: NYS Department of Labor

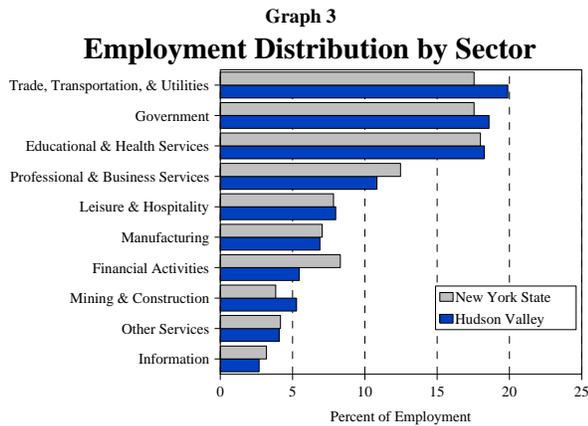
the Hudson Valley added 24,400 private jobs between 2000 and 2004, whereas the State lost 188,600 jobs in that period.

Government employment also increased during the first eight months of 2005, growing by 1.8 percent. The number of government jobs in the Hudson Valley has increased annually since 2000 (the Mid-Hudson Valley experienced some declines, but these were offset by gains in the Lower Hudson Valley).

Sullivan County, in the Mid-Hudson Valley, had the highest rate of job growth in the State during the first eight months of 2005, at 7.9 percent. Although Sullivan has a small job base, with total employment of 26,400 in 2004, the area added 2,000 jobs through August 2005. The Hudson Valley's lowest rate of job growth so far in 2005 has been in the Poughkeepsie-Newburgh-Middletown area, at 1.5 percent, but this rate was still higher than growth rates for the State and most other localities.

Sullivan County's employment growth was helped by the addition of 900 leisure and hospitality jobs during the first eight months of 2005. When compared with the same period in 2004, this represents an increase of 25.5 percent. (For the Hudson Valley as a whole, this sector grew by 4.1 percent, while the Statewide gain was 2.7 percent.) Growth in the leisure and hospitality sector accounts for almost half of all the jobs added in Sullivan County, which emphasizes how important the sector has become to the economies of the county and the Mid-Hudson Valley region. Employment in the sector made up 14.1 percent of all jobs in Sullivan County and 8.9 percent of employment in the Mid-Hudson Valley last year.

Although the trade, transportation, and utilities sector is the largest in the Hudson Valley (see Graph 3), job growth has been lower than total job growth in the region since 1998. Through the first eight months of 2005, employment in the sector grew by 1.5 percent, compared to total employment growth of 2.2 percent.



Job growth in trade, transportation, and utilities has been hampered by slower growth in employment in the retail trade subsector in the Lower Hudson Valley, which contains 57.7 percent of all the Hudson Valley’s retail jobs. Through August 2005, the Lower Hudson Valley’s retail trade employment increased by only 1 percent, while the Mid-Hudson Valley’s growth rate was 1.9 percent. Between 2000 and 2004, the number of retail jobs in the Lower Hudson Valley declined by 2.6 percent, whereas the number increased by 4.6 percent in the Mid-Hudson Valley.

Through August 2005, Hudson Valley job growth in the educational and health services sector was 2.8 percent. The growth occurred despite a recent weakness in hospital employment in the Lower Hudson Valley. Between 2000 and 2004, hospital employment there fell by 4.8 percent, compared to growth of 8.9 percent in the Poughkeepsie-Newburgh-Middletown area and 2.9 percent in the rest of the State. The situation has improved in 2005; hospital employment in the Lower Hudson Valley increased by 1.5 percent through August.

Employment in the professional and business services sector increased by 3.5 percent during the first eight months of 2005. This follows employment growth of 11.3 percent between 2000 and 2004. Nearly three quarters of the region’s professional and business service jobs are located

in the Lower Hudson Valley. In the first eight months of 2005, the sector added 2,700 jobs in the Lower Hudson Valley, including 600 new jobs in the management of companies and enterprises subsector (following growth of 1,200 jobs in this subsector between 2000 and 2004). The management of companies and enterprises industry provides some of the highest-paying positions in the region, with an average salary of \$178,660 in 2004.¹

Through August 2005, the financial activities sector also exhibited strong job growth in the Hudson Valley, with employment increasing by 4.3 percent. The sector accounted for only 5.5 percent of all regional jobs in 2004. During the first eight months of 2005, jobs were also added in the construction sector (2.4 percent) and the other services sector (2.2 percent). Both provide fewer jobs than the financial activities sector.

Not all sectors in the Hudson Valley experienced employment growth during the first eight months of 2005. Employment in the information sector—the Hudson Valley’s smallest sector—fell by 1.5 percent, and manufacturing employment was down by 0.7 percent. Manufacturing employment has declined annually since 1990, and through 2004 the Hudson Valley lost 39.6 percent of its manufacturing jobs (41,000 jobs).

Labor Force and Unemployment

The strength of the Hudson Valley economy is also apparent in the region’s labor force data, which counts the number of residents in the region who are working or available to work. Through the first eight months of 2005, the labor force in the Hudson Valley has continued to expand—by about 21,200 people, accounting for 50.3 percent of the increase in the State’s labor force—while the number of unemployed has begun to decline.

Although the number of unemployed people in the Hudson Valley increased in 2004, the area’s labor force also showed a significant increase, exceeding the combined growth in the labor force for both New York City and the rest of the State. The large increase in the labor force compared with the small increase in the number of unemployed indicates that many of those entering the labor force were able to find jobs.

¹ Wage and salary data from the New York State Department of Labor for 2004 is preliminary.

Through the first eight months of this year the unemployment rate for the Hudson Valley declined to 4.1 percent, from 4.7 percent during the same period last year. The average unemployment rate in each of the region's seven counties was lower than the State's unemployment rate of 5 percent. The lowest rate in the region was in Putnam County (3.7 percent), while the highest rate was in Sullivan County (4.6 percent).

Because not all of last year's increase in the Hudson Valley's labor force was absorbed, the region's unemployment rate rose slightly—to 4.5 percent in 2004 from 4.3 percent in 2003. By comparison, the State's unemployment rate fell to 5.8 percent in 2004 from 6.4 percent in 2003, primarily fueled by a sharp decline in unemployment in New York City.

Wages and Salaries

The diversified economy in the Hudson Valley helped total wages grow by 6.7 percent in 2004, while private sector wage growth reached 7.2 percent. The growth in the region's total wages was slightly higher than the Statewide growth rate, but lagged behind growth in neighboring New York City (see Graph 4). By contrast, between 2001 and 2003 the Hudson Valley region outperformed both the State and City in wage growth.



Growth in total wages was substantially stronger in the Lower Hudson Valley than in the Mid-Hudson Valley. Of the seven counties that comprise the Hudson Valley region, total wage growth was strongest in Westchester (8.5 percent) in the Lower Hudson Valley, and weakest in Ulster (2.7 percent) in the Mid-Hudson Valley.

In both Westchester and Ulster counties, and in the region as a whole, two high-paying sectors—the professional and business services sector and the financial activities sector—were the leading sources of wage and employment growth in 2004. Wages in the professional and business services sector grew by 14.7 percent in the region, with growth especially strong in the management of companies and enterprises subsector. Wages in the finance sector increased by 12 percent.

The trade, transportation, and utilities sector posted wage gains of 7.3 percent in 2004. Growth was particularly strong in Westchester County, partially due to wage gains in the transportation and warehousing subsector; and in Putnam County, which reported strong wage growth in the wholesale and retail trade subsectors.

Wages in the educational and health services sector grew by 6.7 percent in the region—growth in the educational services subsector outperformed growth in the health care and social assistance subsector. Wage growth in the entire sector was particularly strong in Putnam and Orange counties. Sullivan was the only county in the region to report a decline in wages in the sector overall, primarily because of falling employment.

Sullivan, however, experienced the highest wage growth in the region within the leisure and hospitality sector (13 percent), mostly as a result of gains in the arts, entertainment, and recreation subsector. In the Hudson Valley as a whole, wages grew by 5.4 percent in leisure and hospitality, proving this sector an engine of economic growth for the entire Mid-Hudson Valley and particularly for Sullivan County.

Sullivan and Putnam counties both experienced strong wage growth in the construction sector, much higher than the 2.6 percent wage growth reported for the region as a whole. Growth in manufacturing wages was also much higher in Sullivan County than in the region overall (16.1 percent compared to 2.1 percent) because manufacturing employment actually rose there, whereas in most of the region it declined.

The only industrial sector in the Hudson Valley to report a decline in wages in 2004 was the information sector. Wages fell by 2.9 percent, primarily in the publishing and Internet publishing and broadcasting subsectors, where jobs were lost.

Wages in this sector fell sharply in the Lower Hudson Valley, and were only partially offset by a small gain in the Mid-Hudson Valley.

Average salaries in the Hudson Valley grew by 5.3 percent to reach \$44,605 in 2004, which lagged behind both New York State and New York City. The finance sector reported the highest average salary in the region (\$65,955), while the leisure and hospitality sector posted the lowest (\$18,521). Within the region, average salaries ranged from \$53,428 in Westchester County to \$29,477 in Ulster County. The Lower Hudson Valley, which has a greater concentration of jobs in the higher-paying financial activities and professional and business services sectors, had an average salary of \$50,482; the Mid-Hudson Valley, with a greater proportion of lower-paying jobs in the tourism-oriented leisure and hospitality sector, had an average salary of \$34,912.

Businesses

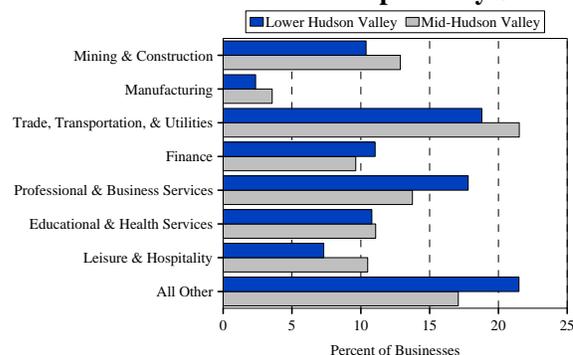
More than 65 percent of business establishments in the Hudson Valley are located in the Lower Hudson Valley, and almost half of the region's businesses are in Westchester County. About 90 percent of all businesses in the region had fewer than 20 employees in 2004. Of the 68,569 total firms in the Hudson Valley in 2004, only 32 had more than 1,000 employees, and 16 of these firms were in Westchester. Several of the large firms within Westchester were part of the higher-paying professional and business services sector (and most were part of the management of companies and enterprises subsector). Large firms located outside of Westchester were mostly part of the educational and health services sector.

The Lower Hudson Valley has a strong presence of professional and business services firms—17.8 percent of all area businesses in 2004, compared to 13.8 percent in the Mid-Hudson Valley. Westchester and Rockland counties ranked behind Manhattan and Nassau County with the highest concentrations of professional and business services firms in the State.

More than 10 percent of all businesses in the Mid-Hudson Valley in 2004 were in the leisure and hospitality sector (see Graph 5), with the highest concentration in Sullivan County (15 percent). By contrast, leisure and hospitality firms in the Lower Hudson Valley accounted for only 7.3 percent of

area businesses, and each of the area's three counties ranked among the bottom eight in the State for firms of this kind.

Graph 5
Distribution of Business Enterprises By Sector



Source: NYS Department of Labor

Demographics

In July 2004 the population in the Hudson Valley reached 2,258,276, representing 11.8 percent of the State's total population. Five of the seven counties in the Hudson Valley were among the 20 most-populated counties in the State (see Table 1). Orange County was the fastest-growing county in the State during the period from July 2000 to July 2004, when 20 of New York's 62 counties declined in population. During the same period, each county in the Hudson Valley increased in population, and the overall Hudson Valley population increased by 3.3 percent (72,624 people). This growth rate exceeded the State's rate of 1.2 percent, and ranked the Hudson Valley first among the ten regions in New York State for population growth.

Table 1
Population Changes in the Hudson Valley
2000 to 2004

	Level (in thousands)		Rank Among State Counties 2004	Change	
	2000	2004		Level	Percent
New York State	18,998.7	19,227.1		228.3	1.2%
Westchester	926.0	942.4	7	16.4	1.8%
Orange	343.1	370.4	12	27.3	7.9%
Rockland	287.5	293.6	14	6.1	2.1%
Dutchess	280.9	293.4	15	12.5	4.5%
Ulster	177.9	181.8	20	3.9	2.2%
Putnam	96.1	100.6	28	4.4	4.6%
Sullivan	74.1	76.1	36	2.0	2.8%
Hudson Valley	2,185.7	2,258.3		72.6	3.3%

Source: U.S. Census Bureau

From July 2000 to July 2004, two thirds of the increase in the Hudson Valley's population was attributable to an increase of births over deaths. The rest of the increase was due to international migration, which offset a decline in domestic

migration (i.e., more U.S. residents moved out of the area than moved in). Westchester County had the fifth-highest international migration in the State (behind all the New York City counties except Staten Island). All but one county in New York State reported population increases from net international migration, while more than half of the State's counties lost population due to domestic migration. In the Hudson Valley, Orange County had the largest gain in positive domestic migration in the State. Rockland and Westchester were the only counties in the region to experience declines due to domestic migration.

Housing

Data from the State Office of Real Property Services shows that Westchester County, with a median home value of \$570,000 in 2004, had the highest median home value in New York State.² Five of the six remaining Hudson Valley counties were also among the ten counties with the highest median home values in the State in 2004—and the remaining county, Sullivan, was ranked 16th. Home values in Sullivan County rose by 18.4 percent in 2004, however, which was the highest growth rate in the Hudson Valley and the eighth-highest in the State. Every county in the Hudson Valley experienced growth in home values during 2004, with the lowest growth (8 percent) attributable to Putnam.

The growth in property values in the Hudson Valley has been strong since 2000 (see Graph 6). Property values in Dutchess, Orange, and Rockland counties have grown by between 67.3 percent and 74 percent during the last four years, while the lowest growth rate, in Westchester County, was 58.4 percent.

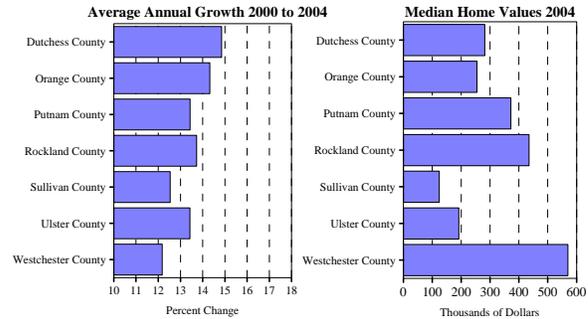
The growth in property values, as well as the strong demand for homes, has helped lift mortgage-recording tax revenues for the Metropolitan Transportation Authority (MTA), which services five of the seven counties in the region (Dutchess, Orange, Putnam, Rockland, and Westchester).³ A portion of the mortgage-recording tax collected in those counties goes to the MTA for its operating and capital

² Analysis from the Office of Real Property Services for Westchester for 2004 is preliminary.

³ Portions of the mortgage-recording taxes collected in New York City and Nassau and Suffolk counties are also dedicated to the MTA.

expenditures. These tax revenues increased by 198 percent between 2000 and 2004. Refinancing also provided a boost to collections.

Graph 6
Property Values and Growth Rates
for the Hudson Valley



Source: NYS Office of Real Property Services

U.S. Census data shows that more households in the Hudson Valley live in owner-occupied housing than in rental units. Almost two thirds of households in the region owned their own homes in 2000, well above the Statewide ownership rate of 53 percent. Within the region, Putnam County had the highest rate of ownership (82.2 percent), while Westchester County had the lowest (60.1 percent).

Transportation

Commuting Patterns

The 2000 U.S. Census showed that 74.1 percent of employed residents in the Hudson Valley worked in the region (down from 75.6 percent in 1990). Another 11.7 percent of the region's employed residents commuted to work in Manhattan (11.4 percent commuted there in 1990). The rest of the region's commuters traveled primarily to the Bronx, Northern New Jersey, or Southwestern Connecticut. Only 0.4 percent of Hudson Valley residents commuted to Long Island.

Reflecting its proximity to New York City, the Lower Hudson Valley had a significantly greater share of residents who commuted to Manhattan than the Mid-Hudson Valley did (16.7 percent compared to 4.1 percent). In Westchester County, 18.7 percent of all working residents commuted to Manhattan—the highest concentration of such commuters in the region.

The Hudson Valley also experiences significant intra-regional commuting, because the Lower Hudson Valley—home to many businesses, especially in higher-salaried sectors like

professional and business services—attracts its own commuters. About 22.2 percent of Lower Hudson Valley jobs were filled by commuters from outside the area, compared to 7.7 percent of Mid-Hudson Valley jobs. In Westchester, one third of all jobs were held by commuters, and one third of those commuters “reverse commuted” from New York City. More working residents of Putnam commuted to Westchester (41.6 percent) than elsewhere. Putnam is the only county in the Hudson Valley where the majority of residents work outside their home county.

The most common means of commuting in the Hudson Valley is via automobile. In 2000, 80.4 percent of the region’s residents drove or carpooled to work, while 11.6 percent used public transportation, mostly rail or bus. In 2003, the commute time for workers in the Hudson Valley was among the longest in the nation. Average commutes for residents in Dutchess, Orange, Rockland, and Westchester counties lasted between 30.7 minutes and 32.5 minutes, whereas the national average was 24.3 minutes. Within New York State, only residents of Nassau County and the New York City boroughs (except Manhattan) had longer commutes.

Tappan Zee Bridge Replacement

The Tappan Zee Bridge, a part of the Interstate-287 corridor, connects Rockland and Westchester counties, and links highway systems from upstate New York, New York City, New Jersey, and New England. The bridge was originally designed for a daily capacity of 100,000 vehicles when it opened at the end of 1955, but by 2004 it had average daily traffic of 139,880 vehicles, and has carried as many as 170,000 vehicles on peak travel days. Based on projected population growth and the lack of east-west transit alternatives in the region, the traffic volume on the Tappan Zee could increase by 50 percent by 2025.

In addition to traffic congestion—resulting in long delays and poor air quality throughout the travel corridor—the age of the bridge requires increased maintenance. Moreover, although it was originally built as a six-lane bridge it has since been converted to seven lanes, with narrow lanes and no safety shoulders.

The New York State Thruway Authority has taken initiatives to alleviate congestion and increase capacity that include the installation of movable

barriers, congestion pricing, and the promotion of flexible work hours. These measures, however, may not be sufficient in the long-term. The Thruway Authority and the MTA began the Tappan Zee Bridge/I-287 Environmental Review in 2001 to examine the mobility needs of the region and propose a replacement for the bridge. After evaluating suggestions through public participation processes, 15 alternatives were proposed in April 2004.

The proposals range from rehabilitating the current bridge to replacing it with either a new bridge or tunnel, and proposed traffic options range from highway only to various combinations of highway, bus transit, light rail, and commuter rail. Rail connections could create an east-west connection from Suffern in Rockland County to Port Chester in the eastern part of Westchester County, or could turn south at Tarrytown to provide a one-seat ride from Orange and Rockland counties to Manhattan. Every proposal poses challenges and obstacles to overcome. The costs range from \$3.5 billion for rehabilitation of the existing bridge to \$20 billion for construction of a tunnel with highway and commuter rail. Alternatives that propose a new or rehabilitated bridge without mass transit components offer limited help to improve east-west mobility and reduce air pollution, while tunnel alternatives could have a greater adverse environmental impact on the Hudson River. Also, several alternatives require the use of additional land for new highway or transit approaches.

As a result of differences between the Thruway Authority and the MTA, the project has been delayed and responsibility has been transferred to the State Department of Transportation. The 15 alternatives were expected to be reduced to about five by July 2004, and then followed by an environmental impact study with in-depth analysis of each alternative, before a final decision by the Federal Highway Administration and the Federal Transit Administration was reached in early 2006. This schedule has encountered delays, however, and a new target date has not yet been set. Construction of the chosen proposal could take at least ten years to complete.

Some advocacy groups, in particular those in Westchester, have argued during the public participation process that plans favoring intra-

regional trips are more sensible, and that the study should focus more on providing east-west transit alternatives that cover the full travel corridor—rather than a one-seat ride to Manhattan, because five north-south rail lines connecting to the City already exist. In arguing for this alternative, advocates point to a 2003 survey that found that 51 percent of weekday travelers crossing the Tappan Zee Bridge were traveling to Westchester as their final destination, while only 7 percent were going to Manhattan. Some Rockland groups favor the one-seat connection with New York City as a means of reducing bridge volume.

Access to the Region's Core (ARC) Project

The ARC project, sponsored by New Jersey Transit, the Port Authority of New York and New Jersey, and the MTA, seeks to improve passenger rail access to Midtown Manhattan from regions west of the Hudson River. The infrastructure to be built during the ten-year, \$5.8 billion project (which is not yet completely funded) includes a new two-track passenger rail tunnel under the Hudson River, a new station near Pennsylvania Station in New York City, and other track improvements in New Jersey. For residents of Orange and Rockland counties, the project would allow an alternative one-seat ride to Manhattan (currently, riders must make connections to access the City).

In addition to the construction jobs that will be created by the project, the improvements in mass transit are expected to spur economic development throughout the commuting area by raising income levels, primarily through an expansion of commuter wages. Through a multiplier effect, increased incomes would lead to the creation of more jobs in Orange and Rockland counties. Higher rates of economic growth could also support increases in property values in these areas.

Tourism

Tourism is a growing industry in the region, particularly in the Mid-Hudson Valley. The area's abundance of historic sites and natural settings, along with its proximity to both New York City and Albany, attract visitors year-round.

The U.S. Military Academy at West Point, located in Orange County about 50 miles from New York

City, hosts nearly 3 million visitors each year. According to the State Department of Tourism, West Point is one of the top three tourist destinations in New York. Throughout the rest of the Hudson Valley, tourists visit renowned historic sites—such as the Franklin D. Roosevelt estate located in Dutchess County—and celebrated mansions and estates that are open to the public.

Performing arts organizations and fine arts galleries and museums located throughout the region also attract visitors. The Caramoor Center for Music and the Arts, in Westchester County, is most noted for its summer International Music Festival and presents classical and jazz music year-round. The Bethel Woods Center for the Arts will open in July 2006 and will offer musical performances and a museum at the site of the 1969 Woodstock Festival. Storm King Art Center, in Orange County, is a 500-acre outdoor sculpture park and museum designed so that visitors can experience the natural landscape and modern art simultaneously. The Dia Art Foundation, which specializes in contemporary art and has a location in Manhattan, recently opened a museum for its permanent collection in the town of Beacon in Dutchess County. Craftspeople and artists in the historic arts and crafts village of Sugar Loaf in Orange County open their studios to visitors and display work in local galleries and shops.

While the entire Hudson Valley provides a variety of outdoor activities, the Catskill region in Sullivan and Ulster counties is particularly known for its natural beauty. Millions of people each year visit the area's mountains, rivers, lakes, campsites, resorts, and ski areas for activities such as camping, hiking, golfing, biking, and fishing. Legislation has been proposed to allow gambling casinos in the Catskill region, but the State Legislature has not yet acted on this proposal.

Antiquing, fruit-picking at local orchards and farms, and visits to wineries and breweries are other popular activities that draw visitors to the Hudson Valley.

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