

IBM owns fewer buildings, but is still 'a good neighbor'

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IBM's Poughkeepsie Development Laboratory on Boardman Road was built in the 1950s on the former Kenyon Estate. It is now home to Our Lady of Lourdes High School. This photo was taken in October 1966. / File photo/Poughkeepsie Journal



The Kenyon Family Mansion on Boardman Road in Poughkeepsie became the IBM Homestead and served that purpose for several years. It is now home to the Poughkeepsie Day School. This photo was taken Oct. 9, 1966. / Poughkeepsie Journal/File photo

Residents who moved to the mid-Hudson Valley within the past 15 years may not realize that many of the region's well-known properties once belonged to, or were used by, IBM Corp.

Along Route 9 in the Town of Poughkeepsie, the Oakwood Commons and Spackenkill Plaza commercial developments rose on land that once belonged to Big Blue.

Private schools also are thriving on former IBM land and using former company buildings. Poughkeepsie Day School and Our Lady of Lourdes High School, both on Boardman Road in the town, were one-time IBM parcels before the schools acquired them in the 1990s.

The Day School site was used by IBM as a training center for visiting executives. The Lourdes site was a research facility.

And the former Bright Horizons at Casperkill recreation complex off Route 9 was once home to the IBM Country Club, which opened in the 1940s as a private club for employees and their families. Bright Horizons has a preliminary agreement to sell the

complex to the town-based Faith Assembly of God, which hopes to move its church and school to the site — a move that would take the property off the tax rolls because of the church's tax-exempt status.

Still 'good neighbor'

As IBM celebrates its 100th anniversary, its physical presence in the region has shrunk compared to what it was in past decades. But local officials said IBM remains a major force in the mid-Hudson Valley as an employer and taxpayer.

The company sold many of its properties after it downsized in the early 1990s and technology and space needs changed.

IBM entered Dutchess County 70 years ago when it purchased its Route 9 property in Poughkeepsie — once home to a food-packing company.

Town officials have dealt with the loss of IBM-owned land over the past two decades.

Kathleen Taber, town assessor, noted much of the land along the Boardman Road corridor was once owned by IBM. Today, many of the parcels are tax-exempt — including the Day School and Lourdes.

In addition, IBM and the town have negotiated a number of tax deals over the years that have reduced the assessed value of company property as IBM downsized and the real estate market changed.

"You're talking about a big difference," Taber said.

She said IBM's main town campus off Route 9 is assessed at about \$109 million, compared to about \$360 million 25 years ago. That has spread the tax burden to other properties, commercial and residential, over the years.

Other Dutchess municipalities also have been affected by changes at IBM.

In East Fishkill, the former IBM West Campus has about 900,000 square feet of space on nearly 160 acres in the hamlet of Wiccopee.

The company began building on the site in the late 1980s and used it as a computer chip research and development facility. The West Campus was eventually phased out.

It was sold five years ago, but sits empty. Banking titan Wells Fargo took over the property last year and work has begun to find a buyer, although no deal has been finalized.

The West Campus is assessed at about \$16.4 million, according to East Fishkill Assessor Kathleen Martin.

IBM still uses the site's East Campus, where it employs several thousand people.

"IBM has definitely changed the way they have done business over the years," Martin said of Big Blue's decision to close or consolidate facilities around the region.

Still, Martin said IBM remains one the town's top taxpayers.

"We're happy to have them," Martin said, calling the company "a good neighbor."

Impact in Ulster

Ulster County also has been affected by changes at IBM.

The TechCity property in Lake Katrine near Kingston was once home to an IBM facility, built in the 1950s, that was charged with developing a digital computer for the U.S. air defense system during the height of the Cold War.

The company sold the 2.5-million-square-foot site in 1998 to developer Alan Ginsberg. Since then, TechCity has worked to fill space at the complex, which is located in the Town of Ulster.

Jim Maloney, the town's assessor, said TechCity is assessed at about \$60 million. He said the property was assessed at around \$350 million when IBM was at its peak.

The change means remaining taxpayers must help make up the loss of assessed value, and in turn, revenue.

"It's spread across the entire tax base," Maloney said.

Paul Rakov, a TechCity spokesman, said about 65 percent of the 1.6 million square feet of leaseable space at the site is filled. He said the complex's various companies employ

between 2,400 and 3,000 people — the number fluctuates because some are seasonal jobs.

In 1986, during peak use of the site, IBM employed more than 7,000 workers there.

Rakov said taking over an IBM site has its advantages, pointing to the complex's existing infrastructure , proximity to the New York State Thruway and access to a labor force — including many former IBM workers.

Rakov said maintaining aging buildings on the site is a challenge, but that the complex continues to serve as a facility where cutting-edge technology is key.

"The facility was, in its heyday, at the forefront of technology," Rakov said of IBM's use of the property.

Now, he said, TechCity is at the forefront of renewable energy , with companies such as Precision Flow Technologies, which makes equipment for the solar and other high-tech industries, and Solartech Renewables.