

**Key Findings:**  
**Port Cortlandt Technical Memorandum**  
**Economic and Fiscal Impacts Assessment (9/17/20)**

This assessment finds that the Port Cortlandt project would generate substantial economic and fiscal benefits to the Town and the Hendrick Hudson School District (HHSD), and would not result in significant adverse impacts to any municipal services or special taxing districts. Below are the main points supporting this conclusion.

- With the closure of the Indian Point Energy Center (IPEC), starting in April 2020, HHSD and to a much lesser extent the Town, both face a fiscal challenge made all the more difficult by the COVID-19 pandemic and the onset of an economic recession. The winding down of IPEC payment-in-lieu-of-taxes (PILOT) agreement over next five years create budget gaps most acutely for HHSD; historically IPEC PILOT revenues have comprised approximately one-third of the district's budget.
- Significant grant funds will likely be available to the HHSD, the Town and other affected taxing jurisdictions through the New York State Electric Generation Facility Cessation Mitigation Program. However, the available "cessation funds" only start with an 80 percent match of lost funds, and wind down every year over approximately 7 years (estimated 2028 end-date); the cessation funds never fully cover the Town and HHSD (or other local entities receiving IPEC PILOT payments) budget gaps. Without additional fiscal measures, HHSD will need to manage an estimated \$49.7 million aggregate shortfall over the next five years (2021–2025), and the Town will need to manage an estimated \$1.7 million aggregate budget shortfall over the same period. Town households within the HHSD can expect school tax bills to increase by over 40 percent by 2025, with the average household paying a cumulative total of \$13,000 in additional school taxes just over this five-year period.
- The Port Cortlandt project seeks to establish a Port Cortlandt PILOT or Host Community agreements that over an initial five-year period (2021–2025) would provide the funds necessary to fill annual budget gaps not met by the cessation funds for local entities. As documented in the attached technical memorandum, the proposed Port Cortlandt payments would exceed \$50 million over this first five-year period, with an estimated \$49.9 million for HHSD and \$1.7 million for the Town. It is expected that with the initial NYSERDA award, the project site would be extremely well positioned to secure many future offshore wind procurement awards that would allow for continued PILOT and/or Host Community agreement commitments beyond the initial five-year period.
- The Port Cortlandt project is consistent with the economic development objectives advanced in the Town's *2016 Sustainable Comprehensive Plan*; it would promote light industrial, waterfront-dependent uses along the Verplanck waterfront, as envisioned for the Waterfront Sustainability District.
- The Port Cortlandt project would generate demand for services from the Town that in budgetary terms are estimated to cost under \$30,000 annually, based on the following:
  - The project does not have a residential component and would not generate school-aged children who would place incremental demands on HHSD.
  - The project would not create substantial additional demand for police, fire, or EMS services as compared with existing conditions, given the project site's continual need for policing to ensure a safe and secure vacant site.
- Construction jobs: AKRF estimates 651 person-years (the equivalent of one person working full time for one year) of direct (on-site) construction-related employment, 91 person-years of indirect employment from business-to-business purchasing in Westchester County, and over

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144 person-years of induced employment in Westchester County from direct and indirect workers' consumer spending.

- Full-time jobs: Based on confidential information supplied by two Tier 1 manufacturers (potential tenants), it is assumed that the project would generate an estimated 300 full-time jobs on-site (i.e., direct employment); based on economic modeling, an estimated 146 jobs would be generated in Westchester County supply chain industries, another 111 jobs in Westchester County from workers' consumer spending, and an additional 97 indirect and induced jobs within New York State outside of Westchester County.