

**A. INTRODUCTION**

This chapter presents the existing conditions and assesses the Proposed Action’s potential socioeconomic impacts along the Fjord Trail South Corridor. An evaluation of the proposed Fjord Trail North is provided in Chapter III.K, “Socioeconomics – Fjord Trail North.”

Once completed, Fjord Trail South would attract additional visitors to Dutchess and Putnam Counties, which would generate increased spending and support permanent jobs. This chapter assesses the potential economic benefits of increased economic activity generated by, and the potential municipal costs of, the proposed Fjord Trail on municipalities along the Fjord Trail South Corridor.

**B. EXISTING CONDITIONS**

**DEMOGRAPHICS AND MUNICIPAL BOUNDARIES**

Fjord Trail South would be located in the Village of Cold Spring and Town of Philipstown in Putnam County.

As shown in **Table IV.K-1**, as of 2022, the Village of Cold Spring had a population of 1,844 and experienced an 8.5 percent increase in population from 2010. Though the Village of Cold Spring has a small population, it has a population density of 3,125.4 persons per square mile, owing to its small geographic coverage (land area of 0.59 square miles). Cold Spring has a Metro-North Railroad (MNR) train station with access to Grand Central Terminal in New York City. The trip takes approximately 90 minutes.

**Table IV.K-1  
Population and Population Density  
2018–2022 ACS 5-Year Estimate**

	Population		Land Area (Square Miles)	Population Density (persons per square mile)
	2022	% Change Since 2010		2022
<b>Town of Philipstown</b>	9,837	1.7%	48.78	201.6
<b>Village of Cold Spring</b>	1,844	8.5%	0.59	3,125.4
<b>Putnam County</b>	97,942	-1.6%	230.33	425.2

**Source:** U.S. Census 2018–2022 ACS 5-Year Estimates (accessed February 6, 2024).

The Town of Philipstown, located south of the Town of Fishkill, in Putnam County, had a population of 9,837 as of 2022. Philipstown’s population grew by 1.7 percent since 2010. It has a land area of 48.78 square miles and a low population density of 201.6 persons per square mile, relative to the other geographies through which the Fjord Trail South Corridor traverses. The Town’s lower population density results, in part, from the large amount of open space in the Town, including land within Clarence Fahnestock Memorial State Park, Hudson Highlands State Park

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Preserve (HHSP), and other preserved land primarily owned by local land trusts. The Town of Philipstown’s main population center is the Village of Cold Spring. The Town also contains the Village of Nelsonville and several hamlets; however, the Fjord Trail South Corridor does not transect these municipalities.

Putnam County had a total population of 97,942 as of 2022. Putnam County’s population decreased 1.6 percent from 2010. Putnam County has a land area of 230.33 square miles and a population density of 425.2 persons per square mile. The Village of Cold Spring contains approximately two percent of the population of Putnam County and the Town of Philipstown (inclusive of the Village of Cold Spring) contains approximately ten percent of the population of Putnam County.

**ECONOMY**

As shown in **Table IV.K-2**, as of 2021, there were an estimated 717 jobs in Cold Spring. The largest industry is educational services, which comprises 29.1 percent of all jobs. The next largest industries are accommodation and food services and public administration (15.5 percent and 15 percent of jobs, respectively). Industries affected by tourism total 29.2 percent of jobs. Cold Spring has a lively Main Street with small shops and restaurants that are walkable from the MNR train station.

**Table IV.K-2  
Employment by Industry (2021)**

	<b>Cold Spring</b>	<b>Philipstown</b>	<b>Putnam County</b>
<b>Total Primary Jobs</b>	<b>717</b>	<b>2,144</b>	<b>22,939</b>
Construction	2.2%	14.8%	11.6%
Manufacturing	0.4%	7.3%	4.8%
Wholesale Trade	0.5%	2.8%	5.0%
Retail Trade	8.7%	7.2%	10.9%
Transportation & Warehousing	0.0%	2.7%	3.0%
Information	2.9%	3.0%	1.5%
Finance and Insurance	2.0%	1.3%	2.1%
Real Estate, Rental & Leasing	1.1%	0.8%	0.8%
Prof., Scientific, & Tech. Services	3.7%	5.3%	5.3%
Management of Companies & Enterprises	0.0%	0.0%	0.2%
Admin & Support, Waste Management & Remediation	3.6%	5.1%	4.0%
Educational Services	29.1%	14.6%	15.2%
Health Care & Social Assistance	6.4%	6.9%	16.4%
Arts, Entertainment, & Recreation	5.0%	5.1%	2.0%
Accommodation & Food Services	15.5%	8.9%	6.3%
Other Services (e.g., Public Admin)	4.0%	10.3%	4.4%
Public Administration	15.0%	3.9%	5.7%
<b>Note:</b> Mining, Quarrying, and Oil and Gas Extraction, Utilities, and Agriculture, Forestry, Fishing & Hunting are excluded from this table as these industries represent less than 1.0 percent of employment in all municipalities shown in this table. Data from 2021 is the most recent data available.			
<b>Sources:</b> U.S. Census Longitudinal Employer Household Dynamics 2021, All Jobs.			

In 2021 the Town of Philipstown had an estimated total of 2,144 jobs, including those located within the Village of Cold Spring. The largest industries in the Town are educational services, construction, and other services, which comprise 14.6 percent, 14.8 percent, and 10.3 percent of jobs in the Town respectively. Industries that are affected by tourism total 21.2 percent of all jobs in the Town. Economic activity in the Town is concentrated in the Village of Cold Spring.

Putnam County had an estimated total of 22,939 jobs in 2021. Most of these jobs are in population and economic centers in the eastern portion of Putnam County, such as the Towns of Carmel, Patterson, and Southeast.

Tourism, including outdoor tourism (hiking, cycling, kayaking, and other similar activities), is an important sector of the Hudson Valley’s economy. The consulting firm Tourism Economics produces an annual report, “Economic Impact of Visitors in New York,” that uses the IMPLAN input-output model to estimate the economic impact of tourism spending in New York State.<sup>1,2</sup> The results of the Tourism Economics reports from 2019, 2020, 2021, and 2022 are summarized in **Table IV.K-3**. Prior to 2020, the Hudson Valley was experiencing steady growth in tourism spending, showing a seven percent total increase in tourism spending from 2016 to 2019, accounting for inflation. The tourism sector experienced a loss of economic activity in 2020 due to the COVID-19 pandemic. Data on tourism spending for 2021 indicates the Hudson Valley experienced an increase in tourism in 2021 (compared to 2020) and total sales tax receipts exceeded pre-pandemic levels in both Dutchess and Putnam Counties (see below, “Fiscal Conditions”). Many residents of New York City sought outdoor destinations within proximity to the city during the COVID-19 pandemic, as long-distance travel and air travel were infeasible or less appealing. Data from 2019 are presented to show a typical year that was not affected by the COVID-19 pandemic. Visitors to Putnam County spent \$66.3 million and generated \$4.5 million in local tax revenue in 2019, including direct, indirect, and induced tax revenue. In 2020, visitors spent \$49.6 million and generated \$4.2 million in local tax revenue for Putnam County, including direct, indirect, and induced tax revenue. In 2021, visitors spent \$62.1 million and generated \$5.3 million in local tax revenue, including direct, indirect, and induced tax revenue. In 2022, visitors spent \$78 million and generated \$5.4 million in local tax revenue, including direct, indirect, and induced tax revenue.

As explained further below, sales tax in Putnam County is retained by the county and does not get distributed to its towns and villages.

**Table IV.K-3**  
**Putnam County Tourism Sales and Tax Revenue**  
**Millions of Nominal Dollars**

	Tourism Sales				Tourism-Generated Local Taxes (Direct, Indirect, and Induced)			
	2019	2020	2021	2022	2019	2020	2021	2022
Putnam County	\$66.3	\$49.6	\$62.1	\$78.0	\$4.5	\$4.2	\$5.3	\$5.4

**Sources:** Tourism Economics, *Economic Impact of Visitors in New York: Hudson Valley Focus* 2019, 2020, 2021, 2022

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<sup>1</sup> Tourism Economics, “Economic Impact of Visitors in New York, Hudson Valley Focus.” 2019, 2020, 2021, 2022 (<https://esd.ny.gov/>).

<sup>2</sup> IMPLAN is an economic input-output model. Input-output models measure the “ripple-effect” through an economy of a given input, such as spending or employment.

## **FISCAL CONDITIONS**

### *SALES TAX SHARING AGREEMENT*

New York State collects sales tax at a rate of four percent. All counties in New York State collect additional sales tax, 46 of which share their tax revenue with cities, towns, villages, and school districts.<sup>3</sup>

Putnam County is one of the counties in New York State that does not share sales tax revenue with its municipalities. Putnam County charges a four percent sales tax and retains 100 percent of revenues. Putnam County sales tax revenues totaled \$66.52 million in 2019 and \$66.7 million in 2020.<sup>4</sup> In 2021, sales tax revenues grew to the highest level since 2010 at \$78.05 million,<sup>5</sup> which was surpassed again in 2022, when sales tax revenues reached \$81.9 million.

In an article in the *Highlands Current*, Putnam County Finance Commissioner Bill Carlin posited that the increase in sales tax collection from 2019 to 2020, despite the COVID-19 pandemic, is likely attributable to the collection of sales taxes on online purchases.<sup>6</sup> In mid-2019, New York State began requiring sales tax collection by marketplace providers, such as Amazon, on online sales to New York State residents.<sup>7</sup> Because Putnam County did not experience a decrease in sales tax revenue due to the COVID-19 pandemic as was seen in Dutchess County, Putnam County appears to be less reliant on in-person tourism spending.

### *MUNICIPAL EXPENDITURES*

The properties that comprise the Fjord Trail South Corridor are owned and/or maintained by either the MTA/MNR, the New York State Office of Parks, Recreation, and Historic Preservation (OPRHP), the Village of Cold Spring, and one private owner (see Figure IV.B-1). Outreach was conducted to the Town of Philipstown and Village of Cold Spring to understand municipal expenditures related to the Fjord Trail South section properties, summarized in the following sections.

#### *Village of Cold Spring*

The Village of Cold Spring has a license with OPRHP for the operation and maintenance of Dockside Park, which would be the southern entrance for Fjord Trail South. The Village Treasurer confirmed that the Village of Cold Spring's expenses for Dockside Park include electricity and lawn maintenance. The Village does not have a dedicated staff for the maintenance of Dockside Park, but the Highway Department staff is responsible for maintenance of the lawn and benches,

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<sup>3</sup> New York State Comptroller Thomas P. DiNapoli. "Understanding Local Government Sales Tax in New York State 2020 Update." October 2020. <https://www.osc.state.ny.us/files/local-government/publications/pdf/understanding-local-government-sales-tax-in-nys-2020-update.pdf>

<sup>4</sup> Putnam County, NY Budget Report, Projection Year: 2021 <https://www.putnamcountyny.com/wordpress/wp-content/uploads/2020/12/Adopted-2021-Budget-with-summary-122020.pdf>

<sup>5</sup> Putnam County Legislature, Audit and Administration Committee Meeting, January 24, 2022. Item 5a. <https://www.putnamcountyny.com/wordpress/wp-content/uploads/2022/01/Audit-01-24-22.pdf>

<sup>6</sup> Liz Schevtchuk Armstrong, "Despite COVID-19, Putnam Doesn't Lose Sales Tax." *The Highlands Current*. January 30, 2021. <https://highlandscurrent.org/2021/01/30/despite-covid-19-putnam-doesnt-lose-sales-tax/>

<sup>7</sup> New York State Department of Taxation and Finance. Sales Tax Collection Requirement for Marketplace Providers. Technical Memorandum TSB-M-19(2)S Sales Tax, May 31, 2019. <https://www.tax.ny.gov/pdf/memos/sales/m19-2s.pdf>

as needed. The labor associated with the maintenance of Dockside Park is \$900 annually. Electricity for the Park typically costs the Village \$350 to \$375 annually.<sup>8</sup>

The Highway Department is funded through the Village of Cold Spring General Fund. In 2022, the Highway Department budget totaled \$525,657. The Highway Department consists of one Highway Foreman, two Highway Laborers, and one hourly Highway Summer Help.<sup>9</sup>

Through the license for Dockside Park, the Village of Cold Spring can generate revenue from the property. Dockside Park can be rented for events such as weddings. Rental fees range from \$250 to \$1,200.

#### *Town of Philipstown*

The Town of Philipstown does not allocate any budget toward maintenance of the Fjord Trail South Corridor properties.<sup>10</sup>

#### *EMERGENCY SERVICES*

Please see Chapter IV.N, “Emergency and Public Services – Fjord Trail South,” for information on emergency service providers along the Fjord Trail South Corridor.

### **C. FUTURE WITHOUT THE PROPOSED ACTION**

In the future without the Fjord Trail, visitation to the HHSPP and local parks and trails in the Fjord Trail Corridor is expected to continue to increase through the design year of 2033 (see Chapter III.L, “Traffic and Transportation – Fjord Trail,” Visitor Projection Study). Visitors would be expected to continue to shop at local businesses and restaurants near the Fjord Trail South Corridor. Municipal expenditures on the properties that comprise the Fjord Trail South Corridor would remain the same. Additionally, there would not be expected to be increases in jobs, tax revenues, or visitors to local businesses above the yearly growth experienced in recent years.

### **D. FUTURE WITH THE PROPOSED ACTION**

#### **CONSTRUCTION**

##### *METHODOLOGY*

The IMPLAN (IMpact analysis for PLANning) input-output modeling system was used to estimate the potential economic benefits of Fjord Trail South during construction and annual operations. IMPLAN was developed by the U.S. government and subsequently privatized by professors at the University of Minnesota. IMPLAN uses the most recent economic data from sources such as the U.S. Bureau of Economic Analysis, the U.S. Bureau of Labor Statistics, and the U.S. Census Bureau to predict effects on the local economy from changes in direct non-payroll expenditures and employment (e.g., during annual operation). The model contains data for Putnam County and Dutchess County on 546 economic sectors, showing how each sector affects every other sector as a result of a change in the quantity of its product or service.

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<sup>8</sup> Village of Cold Spring Treasurer, Michelle Ascolillo; Personal Correspondence via email, November 5, 2021.

<sup>9</sup> Village of Cold Spring, Office of the Budget Officer, Budget Message 2022–2023 ([https://www.coldspringny.gov/sites/g/files/vyhlf416/f/uploads/22-23\\_adopted\\_budget\\_4-27-22\\_full.pdf](https://www.coldspringny.gov/sites/g/files/vyhlf416/f/uploads/22-23_adopted_budget_4-27-22_full.pdf))

<sup>10</sup> Town of Philipstown Comptroller Susan Kenney, Personal Correspondence via phone, November 5, 2021.

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Using IMPLAN terminology, the following reporting breaks out economic impacts into three components:

1. **Direct effects** represent the initial benefits to the economy of a specific new investment. For example, this would include on-site employment and associated labor income.
2. **Indirect effects** represent the benefits generated by industries purchasing from other industries as a result of the direct investment. For example, indirect employment resulting from the construction expenditures would include jobs in industries that provide goods and services supporting the development of the Fjord Trail.
3. **Induced effects** represent the impacts caused by increased household income in a region. Direct and indirect effects generate more worker income by increasing employment and/or salaries in certain industries. Households spend some of this additional income on local goods and services, such as food and drink, recreation, and medical services.

All dollar amounts included in this section are constant 2024 dollars. In future years, the actual dollar amounts are expected to increase with inflation.

### *ASSUMPTIONS*

Construction costs for Fjord Trail South are currently being developed, but to provide an understanding of potential impacts, the economic benefits that could be expected to be realized per \$10 million of investment was assessed. Fjord Trail South would cost more than \$10 million to construct; however, the economic benefits may be extrapolated based on this unit of investment. Because construction of Fjord Trail South would take place in Putnam County, the model assumes all direct economic activity would occur in Putnam County. A multi-regional analysis was used to estimate the indirect and induced impacts in Dutchess and Putnam Counties.

### *EMPLOYMENT*

Though the construction costs for the overall development are unknown, **Table IV.K-4** presents the estimated economic benefits per \$10 million of investment to better understand the economic impacts of the proposed project over the anticipated five- to six-year construction period (note that construction would not be constant during this time period, due to in-water work restrictions for approximately six months of the year to protect aquatic species). As shown in **Table IV.K-4**, construction of Fjord Trail South would create 50 person-years of direct construction employment per \$10 million of investment.<sup>11</sup> Construction of Fjord Trail South would support approximately 12 person-years of indirect employment in Putnam County and one additional person-years in Dutchess County, for a total of 13 person-years of indirect employment supported per \$10 million of investment. For every \$10 million invested, the induced economic activity, generated by increased household spending of direct and indirect employees, would support 8 person-years of employment in Putnam County and 3 person-years in Dutchess County, for a total of 11 person-years of induced employment in both counties. In total, construction of Fjord Trail South would create or support 74 total person-years of employment in Putnam and Dutchess Counties per \$10 million of investment.

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<sup>11</sup> A person-year is the equivalent of one person working full time for a year.

**Table IV.K-4**  
**Economic Benefits of Project Construction per \$10 million of investment**

	Putnam County	Dutchess County	Total (Both Counties)
<b>Employment (person-years)<sup>1</sup></b>			
Direct (on-site)	50	N/A	50
Indirect (jobs in support industries)	12	1	13
Induced (jobs from household spending)	8	3	11
<b>Total</b>	<b>71</b>	<b>4</b>	<b>74</b>
<b>Labor Income (millions of 2024 dollars)<sup>2</sup></b>			
Direct (on-site)	\$4.09	N/A	\$4.09
Indirect (earnings in support industries)	\$0.74	\$0.06	\$0.79
Induced (earnings from household spending)	\$0.39	\$0.14	\$0.53
<b>Total</b>	<b>\$5.21</b>	<b>\$0.20</b>	<b>\$5.41</b>
<b>Economic Output (millions of 2024 dollars)<sup>3</sup></b>			
Direct	\$10.00	N/A	\$10.00
Indirect (output from support industries)	\$2.47	\$0.17	\$2.64
Induced (output from household spending)	\$1.32	\$0.43	\$1.75
<b>Total</b>	<b>\$13.78</b>	<b>\$0.60</b>	<b>\$14.38</b>
<b>Notes:</b>			
<sup>1</sup> A person-year is the equivalent of one person working full-time for one year. Job years were calculated based on IMPLAN labor income output, adjusted for the cost of benefits, and divided by average annual full-time wage of construction workers in Putnam County, from the U.S. Bureau of Labor Statistics Quarterly Census of Employment and Wages (multi-year data).			
<sup>2</sup> Labor income includes employee compensation and proprietor income, including the cost of benefits.			
<sup>3</sup> Output is the total value of industry production. For service sector industries, output is total sales; for retail and wholesale trade industries, output is gross margin.			
Individual impacts may not add up to totals due to rounding.			
<b>Source:</b> Modeling performed by AKRF in February 2024, using the 2022 IMPLAN model.			

### *LABOR INCOME*

For every \$10 million of investment, over the course of the entire construction period (estimated at five to six years), construction of Fjord Trail South would generate \$4.09 million in direct labor income in Putnam County. Indirect employment would generate \$0.74 million (\$740,000) in labor income in Putnam County and \$0.06 million (\$60,000) in Dutchess County, for a total of \$0.79 million (\$790,000) per \$10 million of investment. Induced employment would generate \$0.39 million (\$390,000) in labor income in Putnam County and \$0.14 million (\$140,000) in Dutchess County, for a total of \$0.53 million (\$530,000) in induced labor income per \$10 million in investment. In total, construction of Fjord Trail South would generate \$5.21 million in labor income for Putnam County and \$0.20 million (\$200,000) in Dutchess County, totaling \$5.41 million in labor income for both counties combined for each \$10 million invested.

### *ECONOMIC OUTPUT*

Economic output is the total value of industry production, including labor income, taxes, and intermediate expenditures. Per \$10 million invested, over the course of the estimated five- to six-year construction period, the direct economic output of the construction of Fjord Trail South (\$10.00 million) would generate \$2.47 million in indirect economic output in Putnam County and \$0.17 million (\$170,000) in Dutchess County (in total, \$2.64 million for both counties). Induced economic output generated by the construction of Fjord Trail South would be \$1.32 million in Putnam County and \$0.43 million (\$430,000) in Dutchess County, totaling \$1.75 million in

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induced economic output in both counties combined for the same level of investment. Total direct, indirect, and induced economic output would be \$13.78 million in Putnam County and \$0.60 million (\$600,000) in Dutchess County, for a grand total of \$14.38 million of economic output in the two counties per \$10 million of investment.

### **OPERATION**

It is anticipated that the proposed Fjord Trail (North and South) would increase the number of visitors to the Trail Corridor, including Cold Spring. As presented in Chapter III.L, “Traffic and Transportation – Fjord Trail,” Visitor Projection Study, the proposed Fjord Trail is anticipated to result in approximately 268,700 net new annual visits to the project area. This would translate into an estimated 1,710 on a typical weekend day.

A portion of the additional visitors to the Fjord Trail are expected to spend money at local businesses in the surrounding jurisdictions along the Fjord Trail South Corridor. Additional spending at local businesses would be beneficial to the local economy and would generate additional sales tax revenue for Putnam County. Because Putnam County does not share sales tax revenue, the Village of Cold Spring and the Town of Philipstown would not receive any sales tax revenue from an increase in visitation, but local businesses would benefit from the additional patronage.

As discussed in Chapter IV.K, “Emergency and Public Services – Fjord Trail South,” increased visitation is expected to result in increased demand on emergency service providers along the Fjord Trail South Corridor. To promote safety along the Fjord Trail and limit demand on emergency service providers, the Main Trail would be designed to be Accessible, and Meanders would be Accessible to the extent practicable. An increase in calls from lost or injured hikers is anticipated, but many calls can be handled by HHSP staff and HHFT, Inc. staff, and would not require the involvement of municipal emergency response. In addition, a major goal of the Fjord Trail is to provide safer conditions for the existing population of visitors to HHSP and to mitigate existing traffic and safety issues. Fjord Trail South would provide access points that can be used by emergency responders to facilitate quick and efficient emergency response. The provision of additional parking along the Fjord Trail Corridor is intended to redistribute vehicles and alleviate traffic congestion and prevent pedestrians from parking along, and traveling unsafely on, NYS Route 9D and within the MNR right-of-way.

The Fjord Trail would not result in an increase in municipal expenditures related to trail maintenance because it would be privately maintained. Except for Dockside Park, all other parks and trails that would be connected by the Fjord Trail are maintained by Scenic Hudson or OPRHP.

The Village of Cold Spring currently spends a total of \$1,275 annually on maintenance of Dockside Park including up to \$375 on electricity and \$900 on maintenance labor. The proposed restroom buildings at Dockside Park would require electricity for lighting, but increases are not expected to be substantial. Lawn maintenance costs might increase with additional visitors to Dockside Park. However, the existing costs of maintenance are very low and would not be expected to increase to the level of a significant adverse impact on municipal expenditures. The increased visitation to Dockside Park may also result in increased interest in renting the park for special events, which would provide revenue to the Village.

### **E. CONCLUSION**

No significant adverse socioeconomic or fiscal impacts are anticipated; therefore, mitigation is not proposed. \*