

### III. EXISTING ENVIRONMENTAL CONDITIONS, ANTICIPATED IMPACTS AND MITIGATION

#### K. Socio-Economic Conditions

##### 1. Existing Conditions

###### a. Existing On-Site Employment Levels

At present, employment levels on the PepsiCo campus are estimated at 1,500 persons. At any given time, however, approximately 10 percent of employees are off-site and traveling.

###### b. Existing Property Tax Generation to all Taxing Jurisdictions

Most recently available property tax information<sup>1</sup> for the eleven tax parcels comprising the proposed project site indicated total annual property tax generation of approximately \$2,296,506. Table III.K-1 presents the allocation of the property tax revenue to relevant taxing jurisdictions. As shown, the PepsiCo World Headquarters generated approximately \$1.25 million to the Harrison School District, approximately \$500,000 to Westchester County and \$542,000 to the Town/Village of Harrison.

**Table III.K-1  
2007-2008 Taxes Generated by the Proposed Project Site**

Lot #	Address	Acreage	County (2007)	School (2007-2008)	Town/Village (2008)	Water District (1)	Total
Lot 1	145-147 Lincoln Ave	3.61	\$9,045	\$22,708	\$9,843	\$86	\$41,683
Lot 2, 26	700 Anderson Hill Road	112.22	\$453,849	\$1,139,405	\$493,900	\$4,816	\$2,091,969
Lot 3	800-10 Anderson Hill Rd.	2.49	\$4,539	\$11,531	\$4,998	\$48	\$21,116
Lot 4	Anderson Hill Road	1.5	\$908	\$2,279	\$988	\$0*	\$4,174
Lot 5	850 Anderson Hill Road	4.51	\$2,042	\$5,127	\$2,223	\$0*	\$9,392
Lot 6	Lincoln Ave/Anderson	8.64	\$3,744	\$9,400	\$4,075	\$0*	\$17,219
Lot 7	109/113 Lincoln Avenue	13.5	\$20,730	\$52,042	\$22,559	NA	\$95,331
Lot 10	Anderson Hill Road	2.9	\$1,575	\$3,954	\$1,714	\$0*	\$7,242
Lot 11	Anderson Hill Road	1.2	\$685	\$1,721	\$746	\$0*	\$3,152
Lot 25	Anderson Hill Road	2.5	\$1,137	\$2,854	\$1,237	\$0*	\$5,228
<b>Total</b>			<b>\$498,254</b>	<b>\$1,251,021</b>	<b>\$542,282</b>	<b>\$4,950</b>	<b>\$2,296,506</b>
(1) Westchester Joint Water Works							
* Parcels are vacant							

<sup>1</sup> Abstracter's Information Service, Inc. Westchester County Tax Search – 2/12/2008.

## 2. Anticipated Impacts

### a. Estimated Employment Levels for Phase I and Phase II and Project Build-Out

Phase I of the Master Plan proposes the Center Atrium and the Welcome Center, neither of which is anticipated to increase on-site employee population. Phase II of the Master Plan, which includes the Building 2 and 6 extensions would be anticipated to increase employee population by approximately 600 persons, to 2,100 employees.

At full build-out, the proposed project would be anticipated to generate an on-site population of approximately 2,400 employees. The new employees would likely come from a variety of locations including Harrison, and other Westchester communities. The additional jobs created as a result of the project would not be expected to be sufficient to generate new residential construction in the community.

### b. Anticipated Future Operations Compared to Current Operations

On-campus corporate operations would be expected to be largely similar to those on campus today. The addition of new corporate office space and consequently 900 new employees, and the increase in efficiency of current office space would be expected to result in increased productivity. The potential provision of a new cafeteria, health and fitness center for employees and other staff services in Phase III of the Master Plan, would also be expected to increase productivity.

The proposed Welcome Center would be expected to provide for several additional employees for operations and maintenance of the new facility. In addition, although there is no stated ratio of on-site security personnel to employees, visitors or building square footage, it is assumed that additional space could require some additional on-site security personnel to maintain safety. At minimum, the new proposed gate-controlled entry from Anderson Hill Road to the Welcome Center would be manned by PepsiCo security personnel.

### c. Property Taxes Generated to Each Taxing Jurisdiction

As noted above, the PepsiCo World Headquarters currently generates substantial tax revenue to the relevant taxing jurisdictions. Future tax revenue to be generated by the PepsiCo World Headquarters site would continue as a substantial contributor to the overall fiscal health of the community. Anticipated future tax revenue will be determined in conjunction with the Town of Harrison Tax Assessor as detailed building plans are developed.

### d. Project Impact on Local and Regional Economy

There are two main components to the PepsiCo site: the corporate entity comprised of the office complex and associated structures, and the public entity comprised of the Donald M. Kendall Sculpture Garden, the Golden Path and the Visitors Center.

The corporate components of the PepsiCo campus provide significant economic benefits to the local and regional economy; among these are property tax revenue, employment, and purchase of goods and services. PepsiCo employees who live in the

Town of Harrison would also contribute to the local economy through their residency, purchasing power, and contribution to the local community. Employees who commute contribute to the regional economy through their use of area businesses, public transportation or toll roads.

It is estimated that the Donald M. Kendall Sculpture Gardens at the PepsiCo World Headquarters attracts approximately 150,000 visitors per year. Visitors include school trips, wedding parties, and local, national and international tourists. The economic benefit to the local and regional economy from these visitors is compounded by the availability of other attractions and accommodations within or immediately surrounding the PepsiCo campus including the Neuberger Museum of Art and Performing Art Center at Purchase College, and Doral Arrowwood – all located within one mile of the project site.

Construction of the Master Plan components is anticipated to result in several positive economic benefits. These benefits include new job development, spending at local and regional businesses both by employees of and visitors to the PepsiCo site, and by PepsiCo Inc. These economic factors contribute to the overall economic health of the local and regional economy. The impact analysis on the local and regional economy considers the direct, indirect and induced impacts expected to occur as a result of the proposed Master Plan project at the PepsiCo World Headquarters. This includes one-time economic impact from planning, financing and construction of the proposed Master Plan components and the recurring annual economic impact generated after the project has been completed. Direct economic impact represents change in employment and earnings due to an initial change in demand or supply. For example, construction of the components of the Master Plan would create a new demand for labor and materials. Indirect economic impacts result from industry to industry transactions. For example, PepsiCo would purchase goods and services from the local and regional economic suppliers, who in turn make purchases from their own local and regional suppliers. Induced economic impact consists of employee spending in the local and regional economy. The addition of approximately 900 new employees to the PepsiCo World Headquarters over the Master Plan time horizon would result in additional spending on goods and services in the local and regional economy.

(1) Direct Job Impacts and Construction Spending

The projected construction costs for the proposed Master Plan are estimated at approximately \$200 million. Based on industry rule-of-thumb estimates, roughly 40 percent of a project's construction costs are attributable to labor. The Master Plan project would result in approximately \$80,000,000 in wages. With a typical construction salary of approximately \$48,500-\$56,000 annually<sup>2</sup>; this translates into the creation of between 142 and 165 jobs annually over the 10 year anticipated construction duration. PepsiCo's commitment to local hiring and

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<sup>2</sup> Median annual wage for construction occupations is \$48,590 in the Hudson Valley region and \$55,910 in the New York City region. Source: NYS Department of Labor Occupational Employment Statistics, 2008.

purchasing will help to ensure that a substantial portion of these jobs will be filled by local and regional residents.

It is also anticipated that over the ten year Master Plan build-out, employment at PepsiCo corporate headquarters would increase by approximately 900 persons, who would contribute to the local and regional economy. The direct benefit to local businesses would be the expansion of their customer base by the additional PepsiCo employees. New PepsiCo employees would look to local merchants to meet their needs for personal services and convenience shopping goods.

## (2) Indirect Spending Impact

The project generated construction workers can be expected to purchase goods and services from local businesses. This, in turn, would generate additional jobs and income for local residents, further contributing to the local economic vitality. The spending on materials and other parts of the construction budget would similarly have positive multiplier impacts on the local economy. This increase in indirect spending is known as the “multiplier” or “ripple” effect, which would occur throughout the construction period.

In addition, other groups contribute to secondary economic impacts of the proposed project as follows:

- Some employees live in Harrison and surrounding communities and supplement local stores and restaurants;
- Corporate visitors that stay overnight support area hotels, restaurants and retail stores;
- Construction workers and on-site maintenance staff support local businesses for lunches and sundry items;
- Visitors to the Welcome Center include Town and County residents who may patronize area restaurants after visiting the Sculpture Gardens, and visitors from further locations (including other countries), who may also utilize area hotels, restaurants, etc.;

## 3. Proposed Mitigation

It is not anticipated that the proposed PepsiCo-Project Renew-Master Plan would result in any increase costs to the Town. In fact, PepsiCo pays a substantial amount of taxes to the relevant taxing jurisdictions, generating considerable tax revenue, which is expected to continue.