Dutchess County Industrial Development Agency

Addendum: DCIDA Draft Counter Proposal

Champlain Hudson Power Express (CHPE) Application for Financial Assistance

DCIDA Board Meeting | Wednesday, November 18, 2026 | Prepared by the Dutchess County Industrial Development Agency

DRAFT. The figures and terms in this addendum may change. The DCIDA Board has not acted on this counter proposal, and it remains under review by DCIDA counsel. The Board will not decide on payment terms at the November 18 meeting.

1. Purpose

CHPE has proposed a 30-year PILOT. The DCIDA Board is putting forward its own counter proposal: a fixed 30-year payment schedule that gives CHPE and the affected taxing jurisdictions certainty, comes as close as possible to parity with full taxes, and includes CHPE's agreement not to challenge its special franchise assessment during the term.

This addendum is the DCIDA's. It is separate from the economic and fiscal impact analysis prepared by Camoin Associates, and it uses that report's figures for comparison.

2. Inputs

Input	Value
Present value goal	$30,000,000
Discount rate	6.25% (the rate used in the economic and fiscal impact report)
Annual growth in payments	3%
Term	30 years

Those inputs produce a first-year payment of $1,608,315 for all 14 affected taxing jurisdictions combined. Payments rise 3% each year and reach $3,790,100 in Year 30. The 30-year total is $76,516,255.

3. Proposed Terms

- **Certainty:** Payments are fixed for the full 30 years.
- **Parity:** The schedule is set as close as possible to the present value of full taxes shown in the report, $30.3 million.
- **No challenge:** CHPE agrees not to challenge its special franchise assessment during the 30-year payment schedule.
- **Participation:** Each affected taxing jurisdiction may opt in or opt out. If a jurisdiction opts out, its payments are removed from the schedule and every other jurisdiction's payments stay the same. The agreement would list only the jurisdictions taking part.
- **Collection:** The DCIDA would collect the payments from CHPE and distribute them to the participating taxing jurisdictions.

4. How the Counter Proposal Compares

Measure	DCIDA Counter Proposal	CHPE Proposed PILOT	Full Tax Estimate
Present value at 6.25%	$30,000,004	$20,855,514	$30,279,197
Year 1 payment	$1,608,315	$886,659	$3,245,919
Year 30 payment	$3,790,100	$5,115,047	$223,560
30-year total	$76,516,255	$60,793,390	$53,813,844

- In present value, the counter proposal is about $9.1 million above CHPE's proposed PILOT and about $0.3 million below the full tax estimate.
- The counter proposal's payment passes the full tax estimate in Year 13. CHPE's proposed PILOT does not pass it until Year 17.
- From Year 27 on, the counter proposal pays less each year than CHPE's proposed PILOT, because the PILOT steps up sharply in its last years.

Source for the CHPE proposed PILOT and the Full Tax Estimate: Camoin Associates, Economic and Fiscal Impact, Draft 7 (November 2026), Table 2. PILOT per CHPE's July 9, 2026 schedule. Full Tax Estimate per CHPE's October 6, 2026 schedule.

5. Payment Schedule by Year

Year	DCIDA Counter Proposal	CHPE Proposed PILOT	Full Tax Estimate	Counter minus PILOT	Counter minus Full Tax
1	$1,608,315	$886,659	$3,245,919	$721,656	($1,637,604)
2	$1,656,564	$899,515	$3,165,090	$757,049	($1,508,526)
3	$1,706,261	$912,558	$3,082,337	$793,703	($1,376,076)
4	$1,757,449	$925,790	$2,997,631	$831,659	($1,240,182)
5	$1,810,173	$939,214	$2,910,939	$870,959	($1,100,766)
6	$1,864,478	$1,143,400	$2,822,232	$721,078	($957,754)
7	$1,920,412	$1,159,979	$2,731,478	$760,433	($811,066)
8	$1,978,025	$1,176,799	$2,638,645	$801,226	($660,620)
9	$2,037,365	$1,193,862	$2,543,700	$843,503	($506,335)
10	$2,098,486	$1,211,173	$2,446,611	$887,313	($348,125)
11	$2,161,441	$1,433,524	$2,347,345	$727,917	($185,904)
12	$2,226,284	$1,454,311	$2,245,868	$771,973	($19,584)
13	$2,293,073	$1,475,398	$2,142,146	$817,675	$150,927
14	$2,361,865	$1,496,791	$2,036,144	$865,074	$325,721
15	$2,432,721	$1,518,495	$1,927,827	$914,226	$504,894
16	$2,505,702	$1,760,586	$1,817,160	$745,116	$688,542
17	$2,580,873	$1,786,115	$1,704,107	$794,758	$876,766
18	$2,658,300	$1,812,013	$1,588,632	$846,287	$1,069,668
19	$2,738,049	$1,838,288	$1,470,696	$899,761	$1,267,353
20	$2,820,190	$1,864,943	$1,350,264	$955,247	$1,469,926
21	$2,904,796	$2,364,981	$1,227,297	$539,815	$1,677,499
22	$2,991,940	$2,399,273	$1,101,756	$592,667	$1,890,184
23	$3,081,698	$2,434,062	$973,603	$647,636	$2,108,095
24	$3,174,149	$2,963,227	$842,798	$210,922	$2,331,351
25	$3,269,373	$3,006,194	$709,301	$263,179	$2,560,072
26	$3,367,454	$3,049,784	$573,072	$317,670	$2,794,382
27	$3,468,478	$3,609,674	$434,069	($141,196)	$3,034,409
28	$3,572,532	$4,185,159	$292,251	($612,627)	$3,280,281
29	$3,679,708	$4,776,574	$221,363	($1,096,866)	$3,458,345
30	$3,790,100	$5,115,047	$223,560	($1,324,947)	$3,566,540
30-Year Total	**$76,516,255**	**$60,793,390**	**$53,813,844**	**$15,722,865**	**$22,702,411**
Present Value	**$30,000,004**	**$20,855,514**	**$30,279,197**	**$9,144,490**	**($279,193)**

Present values use a 6.25% discount rate, with each payment treated as received at the end of the year, the same convention as the report.

6. Counter Proposal by Taxing Jurisdiction

The table assumes all 14 affected taxing jurisdictions take part. Each jurisdiction's share is its portion of CHPE's July 9, 2026 PILOT schedule, as shown in Table 4 of the report. Those shares remain under DCIDA review, so the amounts for each jurisdiction may change.

Taxing Jurisdiction	Share	Year 1 Payment	Year 30 Payment	30-Year Total	Present Value
Dutchess County	7.72%	$124,126	$292,511	$5,905,350	$2,315,332
Town of Red Hook	0.91%	$14,709	$34,663	$699,791	$274,370
Town of Rhinebeck	0.25%	$4,024	$9,483	$191,454	$75,064
Town of Hyde Park	1.27%	$20,392	$48,055	$970,152	$380,371
Town of Poughkeepsie	9.37%	$150,724	$355,190	$7,170,745	$2,811,460
Town of Fishkill	2.33%	$37,439	$88,228	$1,781,193	$698,359
City of Poughkeepsie	4.28%	$68,787	$162,102	$3,272,580	$1,283,092
Red Hook CSD	8.69%	$139,714	$329,245	$6,646,941	$2,606,090
Rhinebeck CSD	2.33%	$37,438	$88,224	$1,781,113	$698,327
Hyde Park CSD	11.71%	$188,265	$443,659	$8,956,797	$3,511,724
Poughkeepsie City SD	4.49%	$72,253	$170,270	$3,437,489	$1,347,749
Spackenkill UFSD	24.16%	$388,569	$915,687	$18,486,308	$7,247,993
Wappingers CSD	8.06%	$129,657	$305,544	$6,168,470	$2,418,494
Beacon City SD	14.44%	$232,218	$547,237	$11,047,873	$4,331,579
All 14 jurisdictions	**100.00%**	**$1,608,315**	**$3,790,100**	**$76,516,255**	**$30,000,004**

Opt in or opt out

If a jurisdiction opts out, its row is removed and the totals fall by that jurisdiction's amounts. The discount rate, growth rate, term and every other jurisdiction's payments are unchanged. A jurisdiction that opts out would tax CHPE's line in the ordinary way, on the special franchise assessment the State sets each year.

7. Status and Next Steps

- This counter proposal is a draft and is presented to the Board for discussion. No action on payment terms is requested at the November 18 meeting.
- The affected taxing jurisdictions received the draft on November 17, 2026.
- DCIDA counsel is reviewing the draft, including the opt in or opt out and no challenge terms.
- CHPE is invited to review the counter proposal and respond in writing.