A Balance Sheet for New York State: What is New York State's Net Equity from Shale Gas Development?

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➤ Assets*

Tax Revenue:

- Direct from the gas industry based on future legislation
- Increased income tax based on
  - Royalty income to leaseholders
  - Lease income to landowners

Stimulation of industries based on byproducts of natural gas

Climate benefits from decreases in green house gases from burning shale gas

Indirect benefit to NYS from improved Balance of Payments assuming substantial shale gas exports

Short-term job gains in the gas industry and related industries

Increased spending by leaseholders in New York State

Lower cost of energy as long as it lasts

TOTAL ASSETS ???

*These are not necessarily comprehensive lists of assets and liabilities. They serve only as examples. Note that where an asset or liability is a future stream of income or expense, discounted present value should be used.

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➤ Liabilities*

Tax Revenue Loss:

- Income tax losses by leaseholders who vacate properties and relocate out-of-state
- Income tax losses caused by decreases in tourism and other industries negatively affected by drilling
- Property tax losses caused by negative impact of drilling on property values and financing

Decreased spending by leaseholders if they move out of state, or buy second homes out of state

Human health costs associated with:

- Water contamination from frack fluids and wastewater
- Air pollution from compressors, leaks, gas released at well-sites

Costs due to impacts on animals (domestic, agricultural and game) of water, land and air contamination

Climate costs associated with increases in greenhouse gases from methane leaks and venting

Costs associated with declining quality of life due to the creation of an industrial landscape

Costs associated with declines in tourism industry

Costs associated with declines in organic farming and other agriculture and food manufacturing

Costs associated with declines in outdoor recreation

Costs associated with increased air pollution from increased truck traffic

Costs associated with declines in fisheries and trout fishing industry

Infrastructure costs due to use of and damage to roads and bridges from increased truck traffic

Costs due to declines in numbers of retirees and retirement housing market

Costs due to declines in numbers of second home owners and second home market

Costs due to crowding out (loss of jobs to existing businesses and governments)

Costs to communities due to increased demand for police, fire and first responder services

Social costs associated with the gas drilling industry

Costs to the mortgage industry and housing market, and related declines in property values and property tax revenue

Costs associated with increased homelessness

Costs associated with the postponement of investment in renewables

Opportunity costs due to the prevention of future building and economic development

Costs associated with a long-term bust, characteristic of extractive industries

TOTAL LIABILITIES ???

NET EQUITY ???

Is the **Discounted Present Value of Total Assets** minus the **Discounted Present Value of Total Liabilities** a positive value?

This question cannot be answered until a comprehensive risk assessment and economic analysis has been conducted.