



May 27, 2020

TO: Members of the Smithtown Town Board

RE: Proposed zoning change in Long Island Innovation Park

In addition to our testimony at last week's public hearing, the Long Island Builders Institute, the largest residential home builder trade association in the region, wishes to reaffirm our total support for the proposed zoning changes which would permit the ability to construct much needed residential housing within the Long Island Innovation Park in Hauppauge.

The continued economic success of the Long Island Innovation Park is essential to the economic well-being of the entire Town of Smithtown and especially the Hauppauge School District. The businesses located in the Park pay over \$44 million in real property taxes to the Hauppauge School District every year, allowing the tax rate in this school district to be the fourth lowest for all school districts in Suffolk County outside of the four East End towns. Because of the past success of the Park, the tax rate is almost 40% lower per residence of the average tax rate in Suffolk County.

Unfortunately, the Innovation Park was built at a time when it was the goal to segregate uses of property on Long Island, thereby not allowing for residential, retail, commercial and industrial uses to be in the same area. Now, in the 21st century, times have changed and lifestyles have changed and the Innovation Park is facing a series of challenges which could make its continued success of great concern to all real property taxpayers in the town and school district. Many of the buildings in the park have outlived its usefulness and are now vacant and many businesses are finding it increasingly difficult to find the new young workers they need to succeed on Long Island. Many young people now want to live and work in the same area, thus significantly reducing the home to business commute. By allowing certain properties in the park to apply for the transformation from industrial use to residential use, which is all this zoning change allows, the Town Board will be aiding the ability of the Innovation Park businesses to succeed and prosper, thus protecting the real property tax base which has provided the school district residents with the fourth lowest tax rate outside of the East End and the lowest real property tax base in the entire town of Smithtown.

In addition, the number of school children which could be added to the school district rolls over the next few years is actually smaller than the reduction in school children which has actually taken place in the school district over the past five years. The recent report by Stony Brook University on the number of school children created in a school district all over Long Island estimates that even if 1000 apartments were built in the Innovation Park, only 90 children would be eligible for the school district, which is less than the 100 children lost by the school district.

Rather than being a detriment to the school district and the town of Smithtown, the zoning change under consideration will be the lifeblood for a school district which needs the economic viability of the Innovation Park to continue to charge one of the lowest real property tax rates in the entire county. Without this zoning change, the ability of the businesses in the Innovation Park to succeed will be much less limited and any continued downgrade in the success of the businesses will provide a significant reduction in real property taxes paid by the businesses, thereby increasing the real property taxes paid directly by the residential property owners in the school district. The greater the amount of real property taxes paid now and in the future by the businesses in the Innovation Park, the lower the amount of real property taxes paid by the residential property owners in the district. Thus, the ongoing and future success of the Innovation Park is the only barrier to the residents of the school district being forced to pay a higher percentage of the total real property taxes paid by all property owners in the district.

The Long Island Builders Institute was pleased to play a role in the preparation of the report along with the Regional Plan Association and the Suffolk County Industrial Development Agency. The report makes it clear that the time has come to move the Hauppauge Industrial Park from its 20th century development to a new development for the Long Island Innovation Park in the 21st century, with all of its benefits to all of the residents of the town of Smithtown and especially the residents of the Hauppauge School District. We are hopeful that you will see the benefits of this zoning change and move the Innovation Park toward continued successes and prosperity.

Mitchell H. Pally
Chief Executive Officer
Long Island Builders Institute