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HIA-LI AND LONG ISLAND BUILDERS INSTITUTE AFFIRM SUPPORT FOR TOWN OF SMITHTOWN'S ZONING CHANGE AT LONG ISLAND INNOVATION PARK AT HAUPPAUGE

AFFIRMATION STANDS AS REBUTTAL TO HAUPPAUGE SCHOOL DISTRICT'S CHALLENGE TO TOWN'S DECISION-MAKING PROCESS IN ADOPTING NEW ZONING

HAUPPAUGE, NY – JANUARY 19, 2020 – Refuting a legal challenge to the Town of Smithtown filed by the Hauppauge Union Free School District, HIA-LI and the Long Island Builders Institute (LIBI) have reaffirmed their support for a recent Town zoning change that allows limited mixed-use and residential development within the 1,400-acre Long Island Innovation Park at Hauppauge (LI-IPH), formerly known as Hauppauge Industrial Park.

HIA-LI is one of Long Island's largest business organizations, and the Long Island Builders Institute is an association of building industry professionals whose members are responsible for building most of the 5,000 or more homes developed on Long Island each year.

The school district filed its challenge under an Article 78 proceeding, under which parties can appeal the decision of a State or local agency to the New York State courts. The school district has raised questions over whether Town officials had complied with State environmental guidelines – known as the State Environmental Quality Review Act (SEQRA) – in developing the new zoning.

Rejecting the school district's position, HIA-LI and LIBI praised Town officials for carefully following proper procedures in adopting the zoning modification on August 11 of last year.

"The Town engaged in a fair, open, and transparent process all along the way, said Terri Alessi-Miceli, President and CEO of the HIA-LI. "I applaud Supervisor Ed Wehrheim and the Town Board for including input from a broad spectrum of community stakeholders before voting for this zoning change."

"Thanks to the leadership and vision of Town of Smithtown officials, mixed-use development is now advancing at the Long Island Innovation Park at Hauppauge," said Richard Humann, PE, who is president and CEO of H2M architects + engineers and serves as Chairperson of the HIA-LI board. "Residents town-wide can now look forward to a more secure, long-term economic future. Moreover, the entire Long Island region will benefit by positioning the Park for steady growth."

"To create conditions for sustained economic growth on Long Island, it's essential to act strategically to promote workforce attraction and retention," said Mitch Pally, CEO of the Long Island Builders Institute. "Modern businesses are mobile and we're competing every day with other parts of the country to maintain and grow our business base here."

The Town of Smithtown understands this dynamic, as evidenced by the new zoning at the Long Island Innovation Park at Hauppauge.

“The greater the amount of real property taxes paid now and in the future by the businesses in the Innovation Park,” Mr. Pally said, “the lower the amount of real property taxes paid by residential property owners in the district.”

HIA-LI and LIBI underscored that the Park’s continued economic success is essential to the economic well-being of the entire Town of Smithtown and especially the Hauppauge School District. Park businesses pay more \$44 million in real property taxes to the school district every year, allowing the district’s tax rate to be the fourth lowest for all school districts in Suffolk County outside of the East End towns. Because of the Park’s past success, the Hauppauge School District tax rate is almost 40 percent lower per residence than the average tax rate in Suffolk County.

“The Park has proudly been a good neighbor to the school district for decades, and we’ll remain a good neighbor long into the future,” said Joe Campolo, who is Managing Partner at Campolo Middleton & McCormick, LLP and serves as Chair of HIA-LI’s LI-IPH Task Force. “Four of every ten dollars spent by the district comes from property tax revenue generated here at the Park. We’ve helped the district maintain its high level of academic excellence, while keeping residential property taxes relatively low in comparison with neighboring districts.”

Forthcoming residential development can be expected to have a minor effect on local school enrollment, HIA-LI and LIBI officials said, adding that pending development would predominantly contain studio and one-bedroom units, homes geared to single people or couples with no children.

“Such development would also help stabilize Hauppauge’s own declining enrollment numbers,” said Ms. Alessi-Miceli. “And additional tax revenue generated by development would more than offset any added demand for such services as fire, ambulance, and police.”

As an initial result of new development opportunities made possible through the revised zoning rules, one of Long Island’s most respected real estate developers, Tritec of East Setauket, filed plans in November to build a \$125-million, mixed-use building with 335 apartments in the Park. The “zoning overlay” opens the door for similar mixed-use projects at twelve other Park sites.

Newsday praised the rezoning as one of the “building blocks for the region’s future,” noting that mixed-use development is “an excellent first step, especially in a town like Smithtown, where nearly 90% of housing is single-family homes and where apartments and other economic development are desperately needed.”

Overall construction of rental housing at the Innovation Park is projected to generate 2,900 construction jobs, \$180.7 million in construction earnings, and \$472.6 million in construction spending.

The Innovation Park – producing \$13 billion in goods and services annually and supporting 55,000 jobs – brings in \$19.6 million in assessed value to the Town and accounts for eight percent of Long Island’s gross domestic product.

In July 2019, a Rauch Foundation survey conducted for *Newsday* found that 67 percent of Long Islanders aged 18 to 34 years planned to leave the region within five years. Such an exodus would seriously disable the Long Island economy – and make it highly difficult for Park employers to hire and keep a skilled workforce.

The adoption of mixed-use zoning was among the recommendations enumerated in an extensive, 160-page “opportunity analysis” completed in April 2019 by the Suffolk County IDA and the Regional Plan Association for HIA-LI. The analysis was led by James Lima of James Lima Planning + Development, a New York City-based planning firm that has advised major Silicon Valley firms on building out their campuses and ecosystems.
