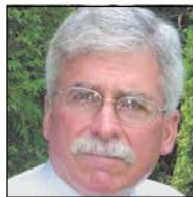


COMMENTARY

LIPA and long island's economy: not perfect together


**Martin R.
CANTOR**

In Long Island's version of David versus Goliath, residents of the Northport-East Northport School District have joined together to fight the latest bully on the block - the Long Island Power Authority, in its effort to significantly reduce the assessment on its' Northport power plant. If successful, the reduction would have a devastating impact on education budgets at Northport-East Northport Schools.

Make no mistake, if LIPA succeeds in its court challenge of the Town of Huntington's \$3.4 billion assessment, which seeks to reduce the assessment on its Northport Power Plant to as low as \$198 million, there will be a significant economic impact on the Northport community, where higher property taxes will reduce the market value on their homes and increase their monthly costs.

The residents of Northport are not alone in their fight against LIPA. So is the Town of Huntington as it fights LIPA's assessment court challenge to lower its \$84 million annual property taxes. This all-or-nothing gamble is risky since LIPA has offered to settle the assessment issue if the Town of Huntington would lower the \$84 million of property taxes over nine years to \$42 million. To date, the Town of Huntington

has not accepted the offer.

While LIPA challenges its assessment in court, a proposal by state Senator James Gaughran (D-Northport) would provide upwards of \$70 million to any state entity, including school districts, to offset any large property tax increases resulting from court awarded assessment challenges. However, Gaughran's bill is a one-time financial band-aid for the problem and doesn't have a sponsor in the state Assembly. It is also uncertain whether Gov. Andrew Cuomo will consider the legislation even if it passes the Senate and Assembly.

There are whispers in the community that they believe that Cuomo's renewable energy directive that, by 2030, 50 percent of New York's power will be from renewable energy sources will be funded on the backs of Northport-East Northport taxpayers and other Long Islanders. LIPA is challenging assessments of its Island Park and Glenwood Landing power plants, as well. If successful, what is to prevent LIPA from challenging the millions of dollars in property taxes on substations and transmission lines?

LIPA is a state agency and clearly Cuomo can play an important role in ensuring that the transition to renewable energy should not adversely impact the household budgets of Long Islanders. Long Island is already a very expensive place to live and shouldn't be made more expensive by LIPA's actions.

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Prevailing wage proposal would devastate LI development

By **KYLE STROBER
AND MITCH PALLY**

For the moment, let's assume there is a state mandated 30 percent increase in construction costs across New York. Its implementation will see the shutting down of countless job sites, the idling of tens of thousands of construction workers, and the redirection of billions of dollars in investment capital to literally every other state where business is welcomed.

Dystopian fiction? Unfortunately, this is not a grim alternative universe.

In a post-mortem Amazon, Albany lawmakers are continuing to debate expanding the definition of a public works project to require "prevailing wage," the maximum wage and fringe benefits paid to a union worker, on any project that includes even the slightest public benefit. The state mandate to pay workers the highest wage would add 30 percent to every project's bottom line.

Impacted projects would include any that rely on a public benefit to provide a "community good" - affordable housing, brownfield redevelopments, historic preservation, health care, renewable energy and nonprofits, among others. Public-private partnerships would cease. Companies like Canon, who used 100 percent union labor to build its North America headquarters in Melville, would not have stayed had they been required to pay prevailing wage.

Additionally, the bill would mandate that any off-site fabrication of construction products and materials be included under this

sweeping jurisdiction. Developers would warn that not a single project would be able to move forward as they would simply become far too expensive to undertake.

The legislation is being pushed by a variety of forces that include politically powerful construction unions that have spent over \$2 million in lobbying efforts last year; a New York City-centric political agenda; and those state lawmakers who, in their advocacy of prevailing wage legislation, are indifferent to or unaware of the economic wreckage this proposal would create.

Wisely, Gov. Cuomo and the NYS Legislature have decided to move carefully so that the full implications of this proposal can be thoroughly vetted, reviewed and debated. The governor knows the importance of economic development to New York. Stall it and the revenue predicted to cover the state's essential services becomes a gaping and dangerous shortfall.

Ron Parr, who, in endorsing 'prevailing wage' in this publication, suggested it would neither increase the cost of construction nor impede economic growth. His comments ignore a comprehensive report by the L.I. Housing Partnership that reveals as much as a 40 percent increase in construction costs on the Island if prevailing wage expansion is enacted. That number would essentially halt the creation of affordable housing and destroy any efforts to repurpose existing office, retail and industrial buildings.

Equally unfounded was Mr. Parr's obser-

vation that the Wyandanch Rising redevelopment project, a \$500 million investment in one of our region's poorest communities, "had no wage or other work standards attached." In reality, the first two buildings were built 100 percent union and unions have been awarded 70 percent of the work to date.

With all due respect to Mr. Parr, he will need to bring more evidence to Albany before any part of his advocacy for prevailing wage can be taken seriously. There is much more at stake here than simply scoring points with laborers. We are talking about the future of economic development across the Island and throughout New York State.

It should come as no surprise that business organizations, nonprofits as well as the NAACP, recognize the existential threat to the economy and have banded together to address this crisis.

As the two sides of this issue seek to advocate their respective positions, it needs to be recognized that at some point the unfor-giving forces of the marketplace intrude on state-imposed regulations and manufacturers, corporations, developers will take their investment dollars and go elsewhere, ensuring no one wins. At this point it would be wise for business, labor and elected officials to sit down and find common ground as opposed to scorched earth.

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