

You Can't Tax Your Way Out of a Recession

Bennett Rechler Delivers His Testimony on Taxes to County Executive Thomas Suozzi.

Nassau County's dysfunctional assessment policies are accelerating the pain.

Bennett Rechler, executive board member and past president of the Association for a Better Long Island, has reminded local and state elected officials participating in a tax symposium that they cannot tax their constituents out of a recession and shifting the bulk of the property tax burden to commercial property owners will only ensure that the pain from this current economic turmoil is felt even more deeply.

Rechler explained, "The Association for a Better Long Island represents the largest single property taxpayer group in the region. Our members include owners of industrial, retail, commercial and residential space. Its collective

value is in excess of \$25 billion dollars. Our tax checks power every facet of municipal government. We are the drivers of an economy that still depends on a vibrant real estate market to meet its bills.

"The constant shifting of tax increases away from Class One properties is creating seismic shifts in how, and who, pays the property tax bills on Long Island. As a result, other property classes are now paying almost three and a half times the school taxes paid by Class One properties," offered Rechler.

"Just how dysfunctional this system is, is evidenced by Nassau County's appraisal system. The County has increased the appraised value of a

majority of the commercial properties for the 2009 tax year even though the real estate boom is not only over but 'completely' dead. Many experts believe that commercial property prices have already declined by 10 to 20%," he said.

The administrative relief by the County's Assessment Review Commission is rare and results in settlement of fewer than 5% of the commercial cases. Even after court ordered awards or settlements, the County cynically maintains the higher values for future years. The rates are so high for commercial properties that even small differences in appraised value results in large differences in taxes. This

forces commercial property owners to be more litigious in regards to protecting their rights and securing assessments.

Rechler stated, "Simply put, shifting taxes to commercial property is bad public policy. It encourages increased spending. It distorts the real estate marketplace. It burdens every single tenant who wants to call our region home as evidenced by yet another graph that breaks down expenses for corporate Long Island. The forces of the economy which almost bankrupted Nassau County more than a decade ago are lining up to occur again. The County will be responsible for refunds caused by declining property values."

V I S I O N S

NEWSLETTER OF THE ASSOCIATION FOR A BETTER LONG ISLAND, INC.



News 12's Scot Feldman interviews Rechler regarding the region's lax burden.



ABLI Executive Director Desmond Ryan acts as host and moderator for a private breakfast with the Governor and ABLI guests.

Governor Paterson Offers the ABLI a Private Perspective

A state in fiscal crisis, a region in need of economic stimulus, and a Long Island infrastructure that needs to be prioritized by Albany were among just some of the issues facing the Governor of the State of New York and they were part of a wide-ranging discussion as David Paterson addressed the Association for a Better Long Island during a recent meeting at Oheka Castle.

Using self-deprecating humor, a blizzard of facts, and a conversational style unique to the Governor, he told the 150 ABLI guests that the state is in uncharted economic territory, having not faced this kind of economic crisis in nearly 70 years. "Hard choices and tough decisions are in our future," Paterson told the business leaders. "There is no simple solution to a state deficit that has bal-

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looned to \$17 billion as Wall Street lays off thousands."

Of particular concern to the ABLI is the use of public money to purchase private property at a time when emergency services, essential programs and government agencies crucial to protecting the state's

quality of life are being reduced or eliminated.

ABLI Executive Director Desmond Ryan was the moderator for the forum, engaging the Governor during the first 20 minutes in a one-on-one conversation that focused on Long Island issues. ABLI President Mitchell Rechler of Rechler Equity Partners

observed, "This was an extraordinary session with the Governor where we heard straight talk and a commitment to work with business for the purpose of rebuilding our regional economy. Many of us were impressed with the Governor as he had his facts nailed down, understood his audience and

spoke directly to the issue. Collectively, there is much work ahead to get through the recession, but there was much hope in the room as evidenced by the standing ovation he was given at the end of the question and answer session."



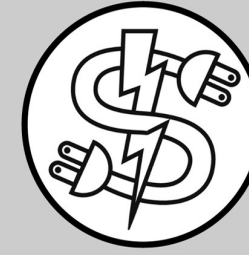
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ABLI Targets Strategic Land Use Issues

Simply put, the economic crisis has put everything on the table. Nothing can or should be taken for granted and every political assumption that has ruled land use for more than a generation has been declared null and void by the realities of the marketplace. Accordingly, the ABLI sees opportunity in the crisis and has moved the following strategic issues as challenges that must be resolved:



The confiscatory property tax structure is creating a serious and sustained distortion in the Long Island economic fabric. In Nassau County, the deeply flawed assessment structure will put the stability of county finances at risk. Systematic reform is necessary to protect the taxpayer and land owner.



Affordable energy is the throttle by which the economy is driven. The ABLI supports alternative energy sources that generate competitive forces in the marketplace and allow Long Island to take advantage of cost savings. In an era when economies in Asia and elsewhere will have priority options on energy futures, our access to affordable energy is a priority.



ABLI will confront the out-of-control "tax and condemn" government policies that see private real estate acquired through public condemnation, hobbling the long term viability of the economy while placing enormous burdens on the property taxpayer throughout Long Island.



Housing that allows a new generation of Long Islanders to become part of the regional work force is a priority, and one that requires unprecedented municipal leadership, the support of business leaders and innovative land use proposals. The ABLI stands committed to working with those who seek to ensure that Long Island businesses will be able to welcome the next generation of employees to their jobs.

From Front Page to FaceBook WHAT A CHANGING LI MEDIA MEANS TO THE DEVELOPMENT COMMUNITY



WINS News Director Ben Mevorach greets ABLI leaders Stephen Hess (center) and Alan Eidler.

It was a pointed and insightful 90 minutes as journalists guided members of the Long Island development community past the rocky frontier of the 21st century media world thanks to a media symposium sponsored by the Association for a Better Long Island (ABLI) and the Commercial Industrial Brokers Society of Long Island (CIBS).

ABLI's public relations advisor, Gary Lewi, a senior executive vice president at Rubenstein Associates and a former U.S. Senate press secretary, moderated the panel where he presided over diverse, opinionated and edgy commentary from WINS News director Ben Mevorach, Newsday's political beat reporter Rick Brand, Long Island

Business News' David Winzelberg and Bruce Lambert, a freelance reporter who has worked at The New York Times for more than twenty years.

Attendees heard that traditional media outlets are shrinking and will continue to do so, but they also heard that the Information Age is picking up speed in con-

tent, diversity and audience. All agreed that no one has the clarity of vision to see what media will look like in two years, but all agreed that change is occurring exponentially.

Of particular concern to the development community is the lack of journalistic accountability across the web and the paucity of reporters dedicated to cov-

ering the real estate community with its multi-billion dollar contribution to the economy. With blogs, vlogs, social networks, one hour 24/7 on-line deadlines, and an insatiable demand for rumor, it is clear that reporters and developers alike are wary of the pitfalls inherent in digital media.

Harnessing the Recession as a Political Force

Stating that regressive municipal land use policies are exacerbating the recession, the Long Island Real Estate Organization (LIREO) is working with the ABLI to create a bi-county voter registration drive that seeks to enroll literally everyone in the

region's real estate industry, from brokers and agent to vendors and owners, in all, an estimated 45,000 people.

Members of the Association for a Better Long Island (ABLI), the Commercial Industrial and Brokers Association (CIBS), the Long Island Board of Realtors,

and The Long Island Builders Institute, unveiled the effort under the real estate industry's umbrella group, LIREO, which seeks to politically empower the multi-billion dollar regional real estate industry.

Michael Watt, Executive Vice President of the Long Island Builders Institute,

stated, "During each election cycle, we need to advance an agenda that will protect the future of Long Island. We need to enlist and inform voters regarding the crucial role of real estate as an economic generator that can preserve and protect property values, create local

jobs, and spark new investment. The real estate community needs to become politically empowered so that we can confront and defeat those who would shut down this industry's economic vitality."

Nominations for Developer of the Year Still Open

ABLI leadership is continuing to receive nominations for the coveted "Developer of the Year" award which will be presented at the Annual Long Island Real Estate Dinner on April 2nd at Carlyle on the Green in Bethpage.

Any major development project that had been constructed and opened in 2008 may be considered

for this award that reflects some of the most innovative thinking in the region.

If there is a project that should be considered, please submit in detail an outline of the project, which should include the location of the project, size/space, type of structure, insight into the approval process, acknowledgment of the financial backing, etc. This propos-

al should be sent to our office no later than March 2nd.

The nomination should be sent to the Association for a Better Long Island, 150 Motor Parkway LL60, Hauppauge, NY 11788, by fax at 631-951-2412 or by email at: tnyabli@optonline.net

