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NORTHPORT-EAST NORTHPORT UNION FREE SCHOOL DISTRICT

# Important LIPA Update – *Community Action and Input Needed!*

The Long Island Power Authority (LIPA) and National Grid (owner of the Northport Power Plant) are seeking to reduce the assessed valuation of the Power Plant by 90 percent to obtain a substantial reduction of property taxes paid by LIPA and National Grid to the Northport-East Northport School District and the Town of Huntington. The district receives approximately 38 percent of its annual revenue from the power plant – this equates to approximately \$53 million a year. A significant reduction to the power plant's assessment would be devastating to the district, its community, residents and our students.

In an April 16, 2018 letter to the community, Superintendent of Schools Rob Banzer updated residents on the current legal proceedings between the district, LIPA and other parties. This matter was also addressed at a community forum at the Northport High School held

on May 1, 2018. As explained in Superintendent Banzer's letter, in 1997, then-Gov. George Pataki and LIPA made a promise to the district and other affected municipalities. They promised that they would not lower the assessed valuation of the Northport Power Plant as long as the taxing authorities did not abusively increase the assessment. This promise was contained in the 1997 Power Supply Agreement between LIPA and LILCO (now National Grid) and further communicated in public documents prepared by LIPA, including investment prospectuses and IRS filings. The district relied on the promise and for more than a decade, the parties lived up to the agreement.

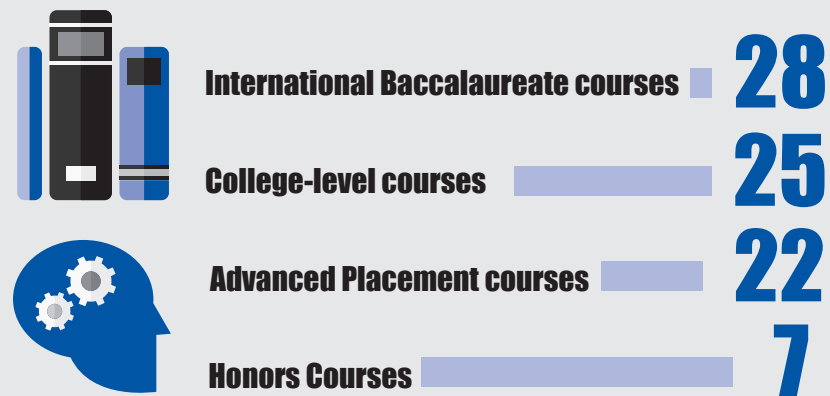
In 2010, LIPA and National Grid broke the promise by challenging the assessment and demanded that the power plant's assessment be reduced by 90 percent. Not only do they want to renege on the promise going forward, they are also seeking tax refunds retroactively.

Despite the significant impact of the potential outcome of these types of tax challenges on the district and its tax base for years to come, the district has no legal authority to directly participate in matters of this nature. These challenges are generally between the property owner and the local tax assessing authority, in this case, the Town of Huntington. The district did however, commence an action against LIPA and National Grid asserting that they breached their promise to never seek a reduction of the assessed valuation of the power plant shortly after these entities filed tax challenges on the power plant. The district has been vigorously fighting this matter in court since 2011. During this time, there has been no reduction in tax revenue raised from the power plant and paid to the district. While settlement discussions have occurred, to date, no resolution has been reached. The district remains open to achieving a result that mitigates the impact to the district.

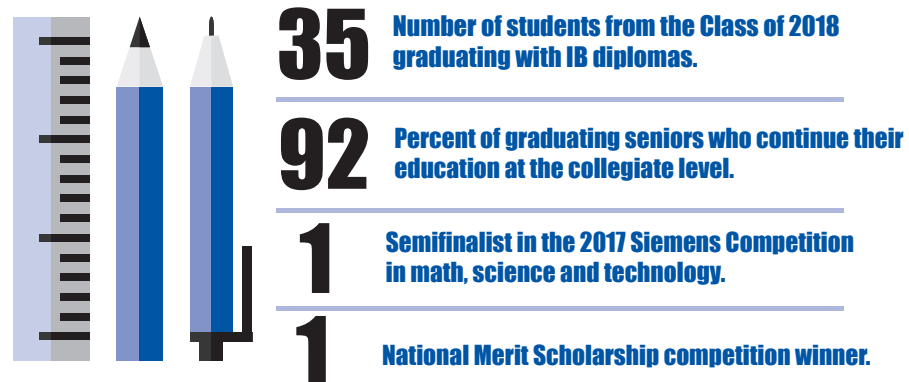
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# A World of Opportunities

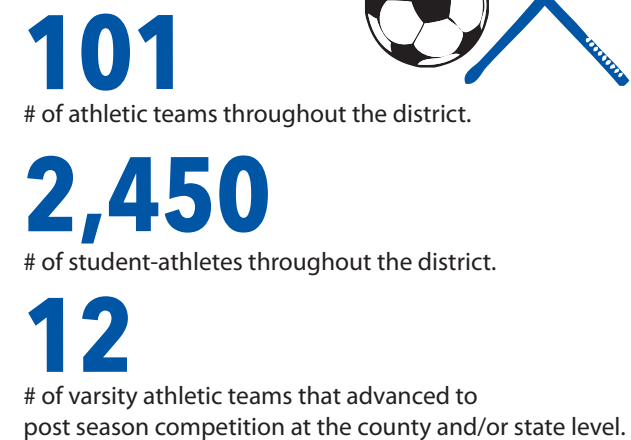
## College Preparedness



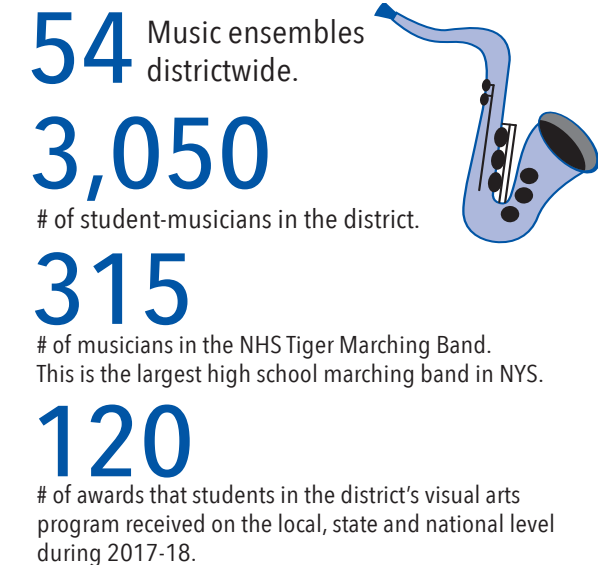
## Student Success



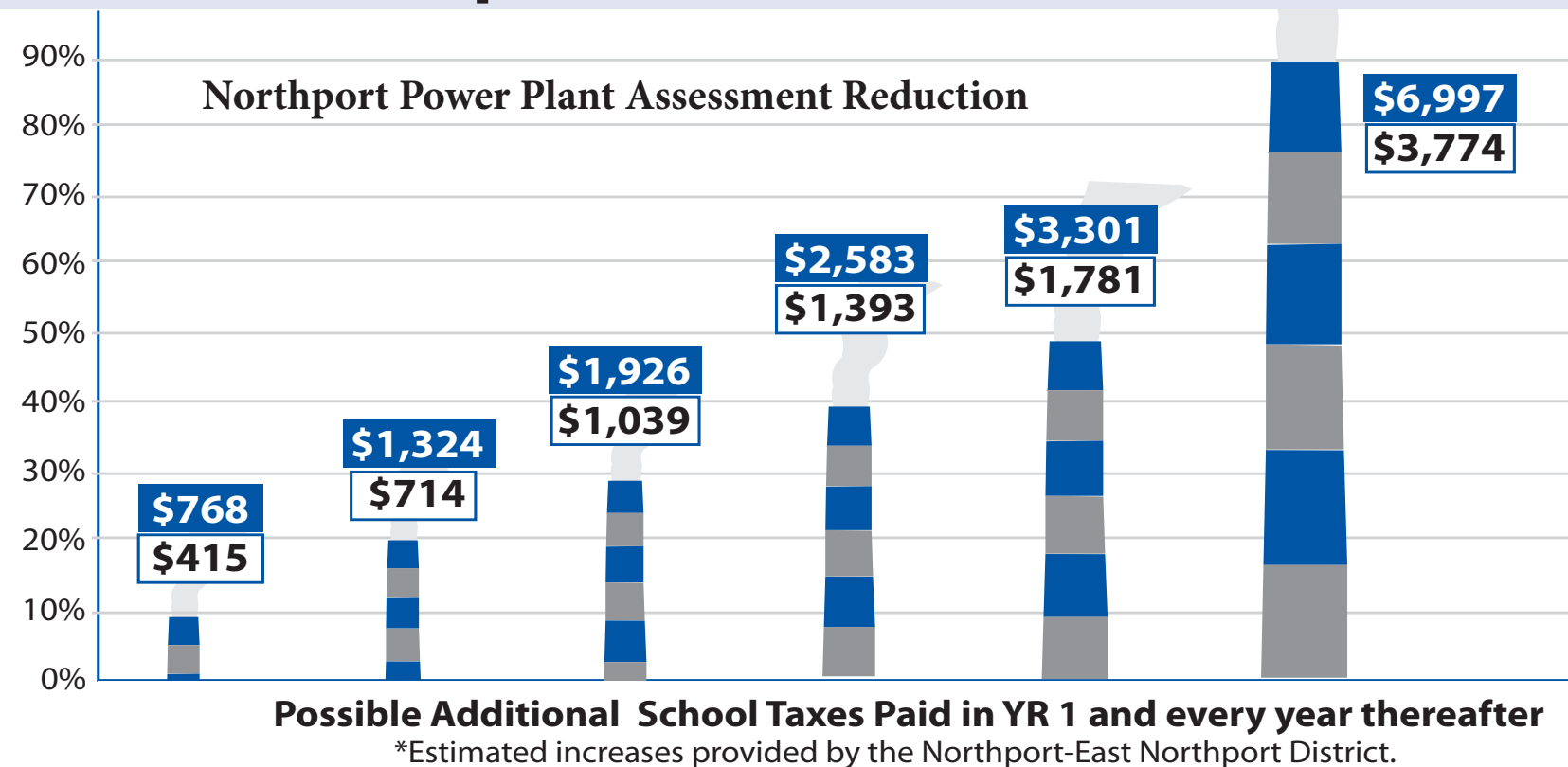
## Athletics



## Arts



## Potential Impact of a Reduction in LIPA's Assessed Valuation



Home valued at \$6860

Home valued at \$3,700

A reduction in taxes for LIPA in Northport could potentially lead to dramatic increases in school taxes for each homeowner in the school district.



## Students Potentially Impacted

5,337

# Student enrollment for 2017-18.



## Tax Info

Average tax levy increase since 2013-14

\*\*\*\*\*ECRWSS\*\*

**Postal Customer**

**Northport, New York 11768**

# Important LIPA Update

*(continued from cover)*

The district is also seeking other resolutions in Albany from our elected officials. At the May 30 “Call to Action” Community Forum, Mr. Banzer presented a brief overview and asked the community to take action by contacting the community’s elected officials and urging them to pass legislation recently proposed in the legislature by Senate Majority Leader John Flanagan and co-sponsored by state senators Kenneth LaValle and Todd Kaminsky. The companion Assembly bill was sponsored by Assemblyman Lavine and co-sponsored by Assemblymen Andrew Raia, Steve Englebright, Michael Montesano and Edward Ra. The district particularly appreciates the support from Sen. Flanagan and Assemblyman Raia who represent our school district and urges the governor to support the proposed legislation.

Both bills enable municipalities and school districts that either face judgments or agree to settlements with LIPA from its tax certiorari challenges to access funding from the existing “Electric Generating Facility Cessation Mitigation Program,” if available. This bill also authorizes the district or any other school district impacted

by a tax certiorari action brought by LIPA to establish a tax certiorari stabilization reserve fund. In essence, this bill could provide a mechanism to assist the district with offsetting the financial impact of reduced tax payments from the power plant from a judgment or settlement (during the term of any settlement) and further allow the district time to establish a tax stabilization reserve fund to lessen the impact on taxpayers in the community.

Before the bill becomes law, it must be approved by the State Senate and Assembly and be signed by Gov. Andrew Cuomo.

While this bill does not mitigate the impact to the school district in its entirety, it is certainly a step in the right direction.

At the community forum, Mr. Banzer went on to point out that since the legislature and the governor appoint the LIPA board, they should also intervene directly to insure a reasonable and equitable settlement proposal to stave off what would assuredly be a detrimental impact to our schools and community.

Community residents are urged to share their concerns. Those who wish

to share their input concerning the LIPA matter and the impact to our school system and the community are encouraged to contact:

## **Governor Cuomo**

gov.cuomo@chamber.state.ny.us;  
[https://www.governor.ny.gov/  
content/governor-contact-form](https://www.governor.ny.gov/content/governor-contact-form);  
or 1-518-474-8390

## **Senator Flanagan**

Flanagan@nysenate.gov  
631-361-2154

## **Assemblyman Andrew Raia**

RaiaA@nyassembly.gov  
631-261-4151

The district will continue to keep the community updated on important developments concerning this matter. Please visit the district’s website for updates at **[www.northport.k12.ny.us/  
district/lipa\\_update](http://www.northport.k12.ny.us/district/lipa_update)**.

We appreciate the participation and involvement of residents in this matter, as the assessment challenge by LIPA and National Grid has the potential to greatly impact the district, our students, their families, our staff and entire school community.