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For better or worse, delays dog Long Island projects

BY ELIZABETH MOORE

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You could almost feel the collective shudder of sympathy that passed through the development community last week after the Lighthouse Development Group filed its application with the Town of Hempstead to turn the Nassau Coliseum area into a 5.5-million-square-foot paradigm of new suburbia.

Within 18 months to two years, developers Charles Wang and Scott Rechler said, they hope to clear the approval process, which includes adoption of a planned development district, a change of zone, approval of a conceptual master plan, and site plan approval from the town board.

In that time, they also plan to execute their lease agreement with the county legislature and county executive and win subdivision approval from the county planning commission. They also need approvals for sewer connections, a public water connection and curb cuts. They need a general permit for stormwater discharges for construction activities and to file a "notice of intent" with the state Department of Environmental Conservation.

And they'd like to break ground in July 2009.

"My humble opinion is that's very, very optimistic," said East Meadow attorney Herb Balin, who has represented many developers on Long Island.

"It's going to be a nightmare," said Garden City developer Vincent Polimeni, who lately is finding it easier to put up shopping malls and condos in Poland than in his hometown.

Duties and delays

Developer complaints about protracted reviews are commonplace on Long Island, with the delays blamed for preventing local businesses from expanding and for keeping new ones out. But these days, developers say, the exodus of younger residents and dearth of affordable housing has given urgency to their lament.

Civic watchdogs and government officials have a different perspective, however, and emphasize their duty to stave off bad development.

"With any development of this scope, the town is going to absolutely ensure that the environment is protected, that traffic issues are addressed, that the suburban character of our area is seriously considered," said Michael Deery, a spokesman for Hempstead Supervisor Kate Murray. "All the concerns of the local residents have to be addressed."

Still, everyone's got their own horror stories to tell about building on Long Island.

They only begin with the famous cases, such as Wilbur Breslin's 35-year quest to develop his land in Yaphank, or the Taubman Co.'s 13-year effort to put a mall on its Cerro Wire property in Syosset. Then there are the controversies over density, such as Oyster Bay's scuttling of an Avalon Bay apartment proposal or Hempstead Village residents' uproar over a \$2-billion downtown redevelopment plan, a proposal that died this year.

"If they did that in Hempstead, what will they do on the Coliseum?" Polimeni wondered. "It's scary!"

What Wang and Rechler are seeking is "going to require a spirit of cooperation and a level of conformance and compliance that has rarely been seen on Long Island," said John Cameron, chairman of the Long Island Regional Planning Board, who has gone through dozens of environmental reviews as a consultant.

But what really prompts a cry from the heart of Long Island's business community are the delays they experience in winning permission for the most routine projects: The seven-year wait to expand a restaurant in Smithtown. The five-year process for a small subdivision in Eastport.

Bradley Rock, chairman of Smithtown Bancorp and of the American Bankers Association, said the economic drag on local businesses is obvious.

"It's common elsewhere in the country for it to take 30 days or less to get approvals because the municipal authorities welcome business growth with open arms," Rock said. Here, three to five years is customary, "and I'm talking about run-of-the-mill projects that everybody in the end agrees would be a very positive economic development for the area."

And that costs everyone, he said. "Too many businesses over the years, when it comes time for them to increase their business and build new facilities, decide it's much too hard to do that here," Rock said.

Social forces unleashed

There are a lot of good reasons developments sink into regulatory quicksand. Breslin might have enjoyed timelier approvals of his Yaphank project if he hadn't set out to build a mini-city jokingly dubbed "Willy World," Long Island's largest mall along with 12,655 homes and 1.3 million square feet of industrial and office space, while bulldozing wildlife habitat without permission in the environmentally sensitive pine barrens. A dramatically scaled down shopping center won approval from the Town of Brookhaven and pine barrens commission last summer, and environmentalists declared victory.

But Robert Wieboldt, outgoing executive vice president of the Long Island Builders' Institute, which represents home builders, says the public hearing process unleashes a lot of social forces that have little to do with the merits of a proposal.

"There's no single process I know of that involves more people on Long Island than the land-use process, with the possible exception of soccer games," he said. "A builder shows up at the end of your block, and how do you stand up in the minds of your peers? You have to be out there making the signs and being on the Internet and showing up at hearings. It's a lot of fun, and everyone gets involved."

That social dynamic, Wieboldt said, can cause a relatively small number of residents to tip the scales against a project in the minds of neighbors.

Then, of course, there is the culture of bureaucracy, about which Wieboldt and his peers are equally scathing.

However, Paul Amoruso, managing director of Jericho-based Oxford & Simpson Realty, said there is a silver lining in the protracted delays. "I'm pleased at how difficult it is, because it keeps a lot of the national developers out of the building and construction business here," he said. "So they look to do joint ventures with people like myself who are closer to the pulse."

Another, more general, economic plus is coming into sharp focus in the current downturn, Amoruso said. In recent years, an oversupply of investment capital led to a spree of speculative development and overbuilding throughout the country, especially in places such as Las Vegas and Florida, he noted. Regulatory barriers on Long Island meant that didn't happen here, and, as a result, Long Island's economy is being spared the economic hangover those regions are experiencing.

But Cameron, of the planning board, said those advantages are far outweighed by the cost: "Candidly, if Long Island continues to ignore the criticality of our economic situation, the quality of life we've come to love really is going to be lost for our children."

There are signs that some in government are responding to that argument.

Canon USA, thwarted repeatedly in the past 20 years in its efforts to build a new Western Hemisphere headquarters in Nassau County, only had to whisper to the Town of Huntington that it was interested in relocating to Melville before the machinery of government went to work on its behalf. The town board quickly passed changes to its zoning law needed to allow a building of the size Canon planned. And County Executive Steve Levy brokered talks to resolve a business dispute and speed Canon's purchase of the land it wanted. The company is expected to file site plans with the town next month.

Those who have been in the development business a long time shake their heads at the impatience of Islanders owner Charles Wang, who bought the team in 2000 and has been trying to build it a new home for the past four years. He negotiated a lease with Nassau County, only to have the legislature chuck it and demand he enter a new competitive process.

But Matthew Frank, managing director of the Lighthouse Group, who will be the point man on this approval process, said his team is doing everything it can to get ahead of the game. With some guidance from the Lighthouse Group's independent steering committee, they've collected most of the data they expect to need to have their draft environmental impact statement nearly complete before public hearings are held to decide the scope of the review. That will allow them to focus more attention on residents' concerns, he said.

Signals from the town so far have been reassuring, he said. One sign: Within three days of the application's filing, it had been distributed to the agencies that will have to review it. First up: the engineering department, which has been going through the fine details to make sure the application is in order.

"There are plenty of communities where the political will is not there, and that flows down, but in this case we have seen the opposite," Frank said.

Balin wishes Frank all the best. He's representing Edgewood developer Gerald Wolkoff, who filed a proposal four years ago to redevelop the former Pilgrim State psychiatric facility on a scale that rivals what the Lighthouse Group aims to do at the Coliseum site.

"We're not even finished with the first step," Balin said. "Partially it's our fault. ... If I can hit 2009, I will be very happy. ... And hopefully, I'll still be alive."

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