

THE REAL ESTATE INSTITUTE AT STONY BROOK UNIVERSITY
WHITE PAPER
MAGNET LONG ISLAND:
ATTRACTION AND RETENTION OF YOUNG PEOPLE
OCTOBER 2012

The April 2012 Symposium sponsored by the Real Estate Institute at Stony Brook University addressed issues of paramount importance to the future of the Long Island Community. This White Paper focuses on those issues by presenting the opinions, observations and suggested solutions of the Symposium's esteemed speakers who are contributing their considerable professional skills, seemingly boundless energies and enthusiasm to ensuring that life on Long Island will continue to be as attractive and rewarding as it has been in the past.

Welcomed by Charles A. Rich, the Chairperson of the Real Estate Institute, Samuel L. Stanley, the President of Stony Brook University, in his Opening Remarks set the tone of the Symposium by stating that the research alliance of Stony Brook University, Cold Spring Harbor Laboratory, and Brookhaven National Laboratory is attracting talented young people to Long Island for both their education and their subsequent employment. Supplementing President Stanley's comments, Manuel London, Dean of the University's College of Business, in introducing the Symposium's Keynote Speaker, Kevin S. Law outlined the contributions which Stony Brook University's College of Business and the University's Economic Development programs spearheaded by Yacov Shamash are making in offering to the University's 24,000 students business career opportunities in a broad spectrum of professions.

As the President of the Long Island Association and co-chair of the Long Island Regional Economic Development Council, Kevin S. Law is providing key services in creating a business climate which fosters new employment and enhanced lifestyles for Long Island residents.

As the Symposium's Keynote speaker, Kevin established a framework for the Symposium by identifying the facts, the challenges, the assets and the opportunities which are the cornerstones of Long Island being able to attract and retain young people which is essential for its continued prosperity.

1. The facts: Kevin referred to the departure from Long Island of 63,000 young people (defined as being between ages 25 and 44) during the past decade as a brain drain and a birth dearth: a brain drain because these young people are our most recently educated and most newly and best trained citizens; a birth dearth because these young people are not raising their children here — children who should be part of our future workforce.

2. The challenges: High real estate taxes, high energy costs, and high transportation costs. The controlling of these costs is essential in order to lower the cost of doing business on Long Island. The lowering of these costs will provide a platform for the creation of jobs, the retention of jobs, and the expansion of existing jobs.

If attractive jobs are available on Long Island, the young will come and stay. That is, if Long Island is also able to provide appropriate housing within an environment that fits their social and recreational lifestyles. The confluence of these requirements for Long Island to be a magnet for the young resides in the enhancement of the downtowns of Long Island.

3. Assets: Our possession of beautiful parks, beaches, and golf courses together with our close proximity to New York City, the business and cultural capital of the world have encouraged the Island's best trained workforce to transition from the last century's defense-oriented business economy to a high tech non-defense business field. This transition of the work force has been facilitated by the Island's excellent educational systems and resources.

4. Opportunities: As the Chairman of the initiative entitled Accelerate Long Island, Kevin explained that the consortium of the Island's research institute assets consisting of Stony Brook University, Cold Spring Harbor Laboratory, and Brookhaven National Laboratory is working toward the conversion of their research into commercial products and jobs for Long Island. Thus, the project development of clean technology, high technology, life science technology and biotechnology promises to create new employment for Long Island.

Co-chairman along with Hofstra University President Stuart Rabinowitz of the Long Island Regional Economic Development Council, Kevin outlined the successful efforts being made to acquire New York State funding of monies to assist in the development of mixed use facilities within walking distance of mass transit. That is, mixed use in the form of office space, research space, recreational space, and residential space. Such is a concept which Kevin refers to as the "Thought Box". Some of the projects which Kevin discussed were the double train track from Farmingdale to Ronkonkoma as well the Ronkonkoma Hub itself, the Wyandanch project, Gabreski airport and Calverton.

Kevin concluded with his emphasis on the need to be both creative and supportive in assisting in the efforts to lower costs which will encourage the creation of new jobs, and the development of suitable housing to be located in a mixed use environment attractive to the young.

With Kevin Law having "set the table" for the two panels, one featuring planners and the other developers, Michael Stoler — famed real estate journalist, television and radio host and New York University professor and lecturer — guided the Symposium as its moderator in his entertaining and engaging style.

On the first panel were Tullio Bertoli, the Town of Brookhaven's Planning Commissioner, Mitchell H. Palley, the CEO of the Long Island Builders Institute, and the legendary planner Lee E. Koppelman, currently the Director of the Center for Regional Policy Studies at Stony Brook University and former Executive Director of the Long Island Regional Planning Board.

In providing a brief history lesson commencing with the construction of America's first post World War II suburbia, Levittown, and concluding with the current suburban paradigm of combining the "places" of home, work, and recreation, Tullio discussed the role that good planning plays in attracting and retaining today's youth on Long Island. Good planning enables the government to be the facilitator for the employment of the quality of our lives and the definer of our very humanity. However, the government can not be the sole participant in such facilitation. We must be more proactive in creating public and private partnerships in order to create attractive transit oriented "three place" development. Public-private partnerships in order to flourish benefit greatly from what Tullio identified as form-based master plans which allow flexibility for the developer as he builds into the future. This flexibility comes in the form of allowing for future mixed use office or retail or residential to be determined by future market conditions. These form-based zoning codes are to supplement or to even substitute for the existing antiquated land-use codes. With that thought in mind, Tullio explained how the Town of Brookhaven's newly adopted "Blight to Light" code expedites the planning approval process by establishing a scoring mechanism that measures the level of blight. Receiving a sufficiently high score, the developer is able to bypass the Town Board. The builder may promptly apply to the Planning Board for special permits. How effective this Blight to Light code is currently evidenced by such projects as: the Coram UA Theater, a Port Jefferson auto dealership, and the Centereach driving range. Because civic association views are routinely expressed in the negative, and Nimbyism is ubiquitous, good planning requires decision-making on a regional basis in order not to be detained by the negative voice of parochialism. These are the ingredients of a recipe for good planning.

In turn, Mitchell H. Pally stressed that neighborhood opposition to multi-family housing is the number one reason why the Island's great need for such has not to date been satisfied. The residential opposition stems from an instinctive xenophobic concern that the multi-unit families will be economically, sociologically, and culturally different from the current single family detached home property owners. Although the economic studies conclude otherwise, the single family civic associations frequently assert at the public hearings for multi-family applications that the "MF" will generate more school children and this will result in an increase in school taxes which are already single family excessive.

Mitchell observed that community opposition possesses such an influential political voice in the application review process because there are so few Island zoning codes which provide for multi-family "As of Right" zoning districts. The paucity of adequate sewage plants to serve multi-family housing combined with the difficulty of obtaining institutional financing for the construction of multi-family projects to be offered for sale make for strong reasons why there continues to be a dire shortage of multi-family housing for young families who desire to settle on Long Island. Additionally Mitchell opined that there is a general public resistance on Long Island to structures which possess a height in excess of three stories. As Mitchell quipped, "The fourth story is the twilight zone on Long Island." To attract and retain the young, we must address and resolve these issues more effectively.

During the course of his Symposium comments and drawing on his vast experience, Lee Koppleman provided much insight into the matters raised by the other panelists. For example, Lee explained that the more than three story anathema is rooted in Long Island's fire service being manned by volunteers who generally do not possess the safety resources to address fires in buildings taller than thirty-five feet.

In a broader context Lee discussed good planning from the perspective of inclusion of housing from the cradle to the grave for all segments of society. In doing so, Lee focused on what he describes as two "dubious distinctions" of Long Island having created in 1947 the first suburb in the United States.

The first dubious distinction is that with the development of suburbia came the inherited zoning districts segregated by usage which did not pose adequate flexibility to address the changing needs of society. The reluctance to change these antiquated zoning codes to provide for balanced housing for the young, the work force and elderly has at its foundation the belief that such balanced housing will imperil the value of the single family detached homes which predominate on Long Island.

The second "dubious distinction" is that the building gestation period includes a municipal approval process measured in many years which approval is then too often challenged in court by civic associations which extends the final approval for several more years.

In order to facilitate balanced housing for all segments of society to include single room occupancy, Lee stated that the State Legislature needs to grant housing powers to the counties. With such powers the counties will be able to obviate the paralyzing control which local parochialism possesses over projects which are professionally conceded to be the products of good planning. Local elected officials understandably are beholden to local constituency groups. On that point, Lee emphasized the need for the adoption of intelligent multi-family housing codes.

Although keenly aware of the challenges of attracting and retaining the young on Long Island, Lee expressed much enthusiasm that the Tritec project at the Ronkonkoma Hub possesses much promise in serving as the model for balanced housing combined with an attractive work place and recreational resources for the entire region.

A common theme expressed by these panelists, as prompted by moderator Michael Stoler, is the need to liberate the zoning codes which since the 1926 Euclid court case has held a stranglehold on balanced development on Long Island. By such liberation, there can be construction at a density that can create communities that have a real sense of place. A key location for such communities is to be in walking distance of transit hubs.

We have a significant task ahead of us in educating the owners of single family detached housing that a properly designed mixed use development is compatible and complementary and even enhances their lifestyles and as a consequence is not a threat to their property values. In fact should we fail in such critical education, the results will be more social isolation and an increase in the number of gated communities. With the absence of a social communal sense of place, the magnetic appeal of Long Island for the young will continue to lessen.

In sum, the planner panelists concluded that the planning model which was spawned by the suburban sprawl commenced in 1947 based on now antiquated segregated usage zones no longer works for Long Island. For the 21st century, Long Island's prosperity is to be dependent on regional planning with a focus on revitalizing its downtown areas with mixed use development for living, working, and playing augmented by the walking distance proximity of transit hubs. Without such for the young, Long Island will be as stated at the Symposium, "Boring, No Jobs, No Housing."

Speaking on behalf of Stony Brook University's Economic Development Vice President Yacov Shamash, Anne-Marie Scheidt who is the Director of Economic Development at the University provided a frame work for the developers' discussion which featured James Coughlan of the Tritec Real Estate Company, Russell C. Albanese, the President of the Albanese Organization and Christopher Capece, the Senior Development Director for the AvalonBay Communities, Inc.

In order to provide a context in understanding the options of young people in electing where to settle after completion of their schooling, Ann-Marie cited the Long Island Index in observing that 80% of the housing on Long Island consists of single family detached houses. Thus, the resultant 20% constitutes multi-family. In comparison, 40% of the residents of Westchester County live in renter occupied apartments. The State average ratio is 37% for such rental units. Ann Marie concluded with the stark observation that if Stony Brook University students residing on campus have no viable housing available to them upon graduating, they will be compelled to work and live elsewhere.

In response to Ann-Marie's framing of the housing issue which was detailed by the Symposium's planners' panel, Jim Coughlan compared two projects which his company has been working on: one in Fairfax County, a suburb-based ring community to the District of Columbia and the other in Patchogue. With substantial assistance from the State of Virginia providing a clover leaf traffic interchange onto Tritec's 425 acre development site, and the municipal utility companies providing a power station and a sewer system, Tritec received relatively rapid approval for a six and a half million square foot mixed use development which comprised four million square feet of office space, 1,400 residential units, a half a million square feet of retail space and 720 hotel rooms, all without any litigation whatsoever.

Even with the invaluable assistance from the Mayor and Village Board members, compared to the Fairfax project, the Patchogue approval process for a much smaller project involving 291 apartment units and 36,000 square feet of retail space was much more cantankerous and angst driven not to mention additionally burdened with time-delaying litigation. That said, the Patchogue project offers so much promise because its balanced housing plan complements the Village's existing downtown amenities of great restaurants, theater, Fire Island ferry, and a train line to New York City. Tritec envisions an excellent living, work, play environment in Patchogue. Long Island needs more of the same.

Panelist Russell Albanese observed that for Long Island development projects to be successful, the coordination and cooperation of the municipalities are essential in the planning and in the communicating with the community groups which by nature are very resistant to change. With such municipal cooperation combined with much patience and perseverance vis-a-vis the community, a joint Albanese-Castagna partnership was successfully able to effect a downtown revitalization of the Village of Garden City. As the relatively recently designated master developer for the Wyandanch project, the Albanese Organization has immeasurably benefitted from the town's ten year long process of seeking of community support for the careful planning by the Town which exercised the political will and financial ability to obtain the necessary federal and state funds. The Wyandanch project promises to be especially successful because it started with the government propelling the planning process with a form-based zoning code as discussed by panelist Tullio Bertoli.

The Symposium's final developer panelist was Christopher Capece of AvalonBay Communities, Inc. which owns some 2,000 residential units of which 40% of their residents are under the age of 35. AvalonBay is attracted to projects such as its one in Rockville Centre on property zoned fifty units to the acre within walking distance to the train station with a corresponding 36 minute commute into Manhattan, and which is within walking distance to Rockville Centre's downtown area.

The conclusions expressed by both panel groups were that the best locations for the development of properties which will attract and retain the young are walkable communities which are transit and rental oriented. To achieve the necessary approvals, form-based zoning codes are necessary and county housing powers will certainly assist in effecting regional planning and development.