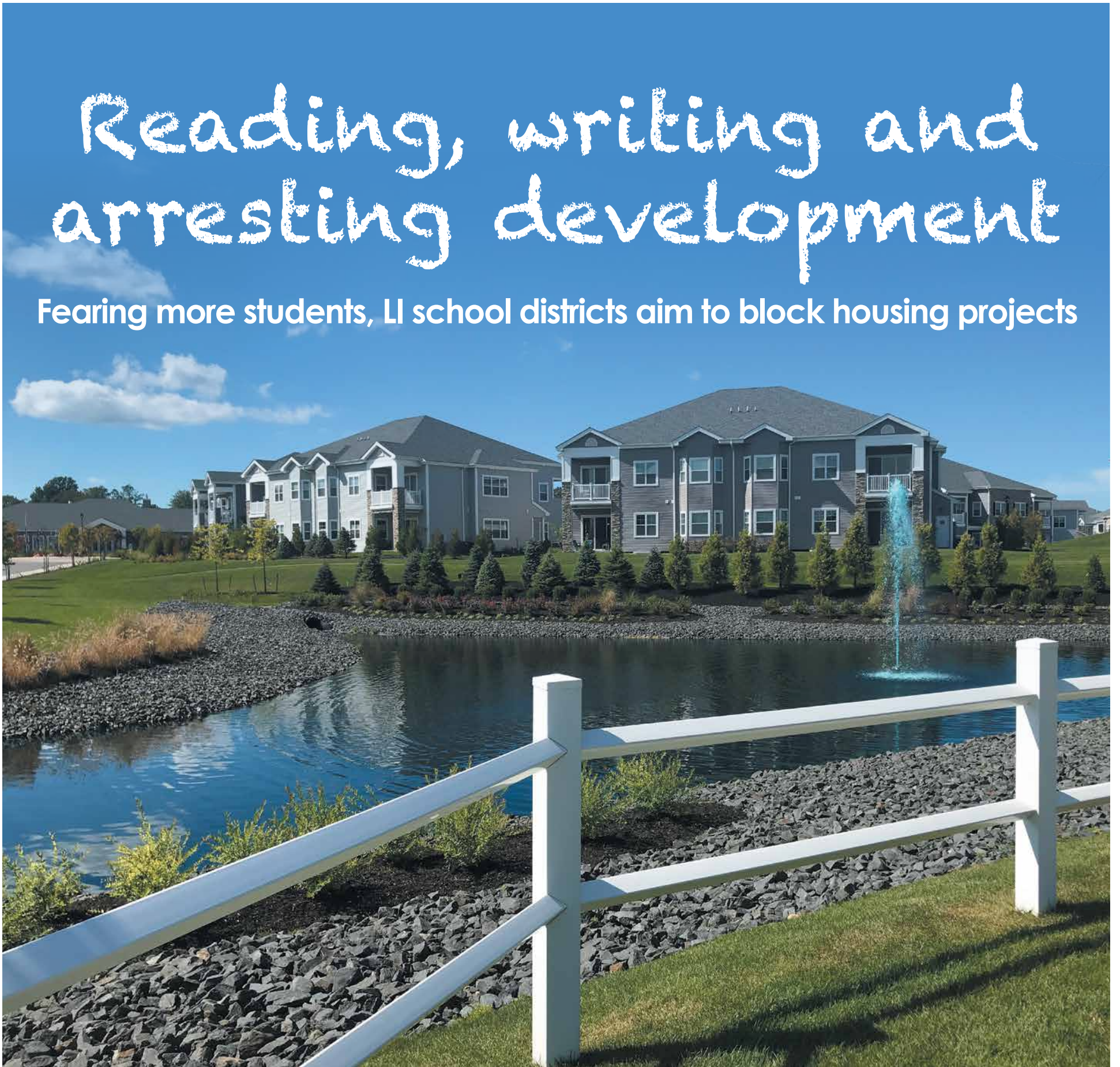


# Long Island Business NEWS

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## Reading, writing and arresting development

Fearing more students, LI school districts aim to block housing projects



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AT GROUNDBREAKING

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LI EMPLOYERS  
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EMPLOYEES

» 34

Company Name	Employee Count
ABC COMPANY	150
DEF COMPANY	200
GHI COMPANY	120
JKL COMPANY	180
MNO COMPANY	110
PQR COMPANY	160
STU COMPANY	140
VWX COMPANY	190
YZA COMPANY	130
BCD COMPANY	170
EFG COMPANY	100

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TO PROMOTE  
LI-MADE  
PRODUCTS

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## COVERSTORY



**ON THE COVER:** The Elwood School District formally opposed the 246-residence Seasons at Elwood, a condo community on 37 acres for people age 55 and over. The development, built by the Engel Burman Group, is now sold out. The Long Island Builders Institute lodged a complaint about the school district's opposition with the state's commissioner of education. While the developers gave a \$500,000 gift to the school district and the condo community will provide more than \$2 million a year in property-tax revenue for the Elwood schools, it has produced zero school-aged children. The Elwood schools superintendent did not respond to requests for comment on this story.

# Reading, writing and arresting development

## Fearing more students, LI school districts aim to block housing projects

By **DAVID WINZELBERG**

As developers can attest, the effort to build anything on Long Island is usually a long, arduous and expensive proposition.

But when it comes to adding much-needed multifamily housing, increasing opposition from school districts has made the process even tougher, and become one of the biggest obstacles in getting projects off the ground.

The reason? District officials say they don't have enough room or resources to teach the additional students that may come from new apartment complexes and condominium communities.

As a result, some school districts have become virtual zoning committees, lobbying municipalities to deny applications for new multifamily housing projects, even going to court to stop them.

The Brentwood School District sued to stop the proposed Heartland Town Square mixed-use project because school officials claim it would inundate the district with thousands of new students.

The first phase of the \$4 billion Heartland project, which includes up to 3,500 apartments, 626,000 square feet of office space and 560,000 square feet of retail space on 113 acres of the 460-acre site, was approved by the Town of Islip in 2017. The entire plan calls for 9,100 apartments amidst more than 3 million square feet of accompanying retail and office space.

The Brentwood schools lawsuit alleged that the environmental impact studies done leading up to the town's approval underestimated the burden that the project will have on the Brentwood schools. While developers Gerald and David Wolkoff maintain that some 1,800 school children can be expected upon full buildout, the school district claims that the number of new students would be closer to 7,300.

"We were concerned because when we did our own analysis it had upwards of 7,000 students residing within that apartment complex," said Brentwood Schools Superintendent Richard Loeschner. "So obviously with that large of a student population, which we already have an incredibly large student population, we took a look at the additional 7,000 and that obviously would put a tremendous strain on our school district."

The number of students generated by a multifamily development remains a major bone of contention between builders and school officials. The Long Island Housing Partnership performed a study in 2008 for the Real Estate Institute at Stony Brook University that looked at existing multifamily developments and how many school-aged children resided there. The study analyzed 10,926 dwelling units in 140 multifamily complexes in Nassau County and 24,978 units in 186 multifamily developments in Suffolk County and found they generated one student for every 6.25 units in Nassau and one student for every 5.88 units in Suffolk.

For transit-oriented developments, the numbers of school-aged children produced is even lower, according to a Vision Long Island review of eight recently built downtown residential complexes. The 1,887 total units in the eight projects, located in Glen Cove, Patchogue, Farmingdale, Mineola and Rockville Centre, yielded just 50 school-aged children. That translates to 2.65 students for every 100 units.

"What that works out to is the potential for one single-family home to have more school children than your average downtown apartment building," says Vision Long Island Director Eric Alexander. "Folks that are claiming a large influx of school children from downtown and TOD projects aren't reviewing the data or visiting these new developments."

David Pennetta, executive director of Cushman & Wakefield, said that newer multifamily communities, whether downtown or not, are bringing fewer children.

"There is, at best, confusion and sometimes outright manipulation of the relevant data when assessing an increase in student population," Pennetta said. "Developers aren't building 50-year-old apartment complexes today, they are



LIBN file photo

**MITCHELL PALLY: 'School districts have the job of educating every child and we pay millions and millions of dollars for them to do that.'**

building new complexes."

But whether a development brings any school-aged kids or not shouldn't be a reason for school districts to oppose new housing projects, according to Mitchell Pally, CEO of the Long Island Builders Institute, the 600-member trade group that represents homebuilders and related businesses.

"School districts have the job of educating every child and we pay millions and millions of dollars for them to do that," Pally said. "They should not say to anyone, 'Sorry, you cannot live in our school district.' That's what they do when they interject their uninformed position into zoning issues."

Kyle Strober, executive director of the Association For a Better Long Island, an advocate for economic development, points out that school districts shouldn't oppose housing projects that are essential for attracting the next generation of Long Islanders, the ones he says are needed to defray the rising costs of education and reduce the tax burden on existing property owners.

"School districts should remain focused on providing Long Islanders quality education and leave economic development, which funds their

ever-increasing costs, to those still willing to invest in the region," Strober said.

Several Long Island school districts have formally opposed new housing developments or economic incentives for those projects in recent years. They include Long Beach, which opposed the 522-unit rental project at the Superblock site; Port Jefferson, which came out against a 46-unit apartment building on Main Street; and Lindenhurst, which attempted to block the Babylon IDA's tax breaks for Tritec's 260-unit transit-oriented apartment complex there.

Earlier this month, an attorney for the Roslyn School District said the district had "significant concern" about a proposed 27-unit luxury condo project on Lumber Road.

Last year, the Syosset School District hired environmental engineers who crafted a nearly 200-page presentation to the Oyster Bay town board opposing the Syosset Park mixed-use redevelopment that was originally designed for more than 600 multifamily residences. As a result, the developers have since scrapped the residential portion of the project.

Syosset schools officials argued that the new housing would force the district to build new wings on two buildings at an estimated cost of almost \$22 million and an annual net-budget impact of \$1.2 million of debt service.

Officials maintained that the district would have to undertake "a significant capital campaign well in advance of the projected enrollment in order to ensure adequate space for new students and to minimize impact" on its existing students.

"We don't have any room, so we would not be able to absorb, here in Syosset at least, any dramatic influx of new kids without having to do school construction," said Syosset School District Superintendent Thomas Rogers. "It's really not just operations money to handle the additional load of more students, but it is also facilities' needs. There may be some (districts) that have enough room to open up some new classrooms. That's not the situation here in Syosset."

Loeschner said that the Brentwood district, the largest suburban district in the state, is also at capacity.

"We also don't have any room to really expand on the current structures and we don't have any land that we could build new buildings,"

Loeschner said. "Now if there was an opportunity within this (Heartland) property to build a school or schools then that's something that I think the board would be happy to hear."

Enrollment in the Syosset district was 6,465 in 2017-2018, up slightly from the 6,365 students enrolled there in 2016-2017, according to numbers from the state Department of Education. There were 18,903 students enrolled in the Brentwood district in 2017-2018, down a bit from the 19,052 students enrolled in 2016-2017.

Overall, most school districts are losing students, not gaining. About 75 percent of the state's school districts now have declining enrollments.

Besides the potential of having to accommodate more students, school officials say there are other reasons why school districts and school boards are taking stands against development projects.

"It's not uncommon for these types of projects to be done with financial incentives," said Brian Fessler, deputy director for government relations for the New York State School Boards Association. "PILOT (payments in lieu of taxes) agreements reduce the amount of property taxes that would be paid. PILOT revenue has a direct dollar-for-dollar reduction in the tax caps and district's budget."

Fessler added that school districts have no formal representation on the boards of industrial development agencies that dole out tax breaks for multifamily projects.

"They have no formal say in the process," Fessler said. "There's a direct financial impact. That's why they care."

However, Pennetta argued it's inaccurate to say there are less taxes collected from new developments, since there are usually much lower

taxes being paid on those properties before they're developed.

"Developers pay into a PILOT which is normally 50 percent of the fully-assessed value of the new development which goes up 5 percent per year over 10 years," Pennetta said. "So, the school district will see more taxes directly as a result of a new development because they account for about two-thirds of real estate taxes, which is double of what it takes to run the entire town. Overall, there is no reduction in taxes, just a partially abated increase in taxes with the remainder having a measured increase over time."

Though new multifamily housing developments mean more tax revenue, school officials argue that they are still hamstrung by the state-imposed 2-percent tax cap, so the end result isn't a financial windfall for districts.

"Developers will make an argument that there will be increased taxes to the district," said attorney Carrie Ann Tondo of the Ingerman Smith law firm, which represents the Syosset School District. "I want to make certain that you understand there's not a new stream of tax revenue coming to the district by operation of the tax cap."

However, increased revenue from new developments does indeed lessen the overall burden on homeowners and other property taxpayers located within the school district.

"The district's take on the tax cap reflects an arrogance (that is) indifferent to school property tax hikes which are crushing homeownership and economic activity that would offset a property owner's bill," Strober says. "The region's future would be better protected if school districts focused on reducing their expenses we are all paying for by reining in unsupportable



**HEARTLAND TOWN SQUARE:** The Brentwood School District sued the Town of Islip and the developers to stop the project.



**SYOSSET PARK:** Opposition from the Syosset School District helped kill the project's residential component.

union benefits and obscenely high administrative salaries."

While there are plenty of examples of school districts jumping into the fray on new multifamily projects, some have actually supported them, because the developments provide housing opportunities for their teachers and staff.

Pally said the Longwood, Mineola and Patchogue-Medford districts have recently backed new apartment complexes in their areas.

"Many of these units are in the school district

and are priced to a point where teachers, custodians, first responders and others who work for the school district can live in the district in which they work," Pally said. "One would think that would be a tremendous benefit to the community, because it would allow the school district to attract more teachers to our community, so that's a different aspect of it, but one that's very important, to be able to attract a learned workforce to Long Island."

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