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## WINDOW OF OPPORTUNITY

Transformational \$2.8B project seeks available public infrastructure funds » Page 4



### LAW & GOVERNMENT

EX-SCHOOL OFFICIAL, RESTAURATEUR CHARGED IN \$1M FRAUD SCHEME

» 8

### REAL ESTATE

\$30M MIXED-USE PROJECT NEARS COMPLETION IN BAY SHORE

» 7

### SPECIAL SECTION

MEET LONG ISLAND'S MOST POWERFUL WOMEN FOR 2022

THE POWERLIST

— LONG ISLAND BUSINESS NEWS —

LONG ISLAND'S MOST POWERFUL WOMEN

2022

» Pullout



## COVERSTORY

# WINDOW OF OPPORTUNITY

Transformational \$2.8B project seeks available public infrastructure funds



By DAVID WINZELBERG

For a plan that has taken five years to come together, time is suddenly of the essence.

That's because the \$2.8 billion public/private project called Midway Crossing, a transformational development aiming to create a transportation-oriented hub combining life sciences, medical research, sports, entertainment and more, while connecting MacArthur Airport with the Long Island Rail Road, wants to be at the head of the line when the federal and state begins doling out gobs of infrastructure dollars by the end of the year.

Piloted by master developer JLL, which also served in that capacity for Manhattan's Hudson Yards, Midway Crossing needs a sizeable public investment, which JLL Vice Chairman Derek Trulson says is there for the taking.

Trulson points to the \$1.3 trillion in federal infrastructure money that is currently funding projects nationwide and another \$4 billion in available funding from the state, with \$350 million recently appropriated for Long Island, that could cover the costs of the project's infrastructure and public assets.

"We think all that money will be earmarked by the end of the year; therefore, we need to be asking for it now," Trulson said. "We don't want to miss the window. That's the point."

The ambitious proposal got a big boost earlier this month when the Long Island Regional Planning Council designated the Midway Crossing development as a project of regional significance. And that's likely an understatement for what many call the largest undertaking on Long Island in a generation.

First pitched in 2017 with a 17,500-seat sports arena as its anchor, the project has evolved over the last few years. While the plans still call for smaller indoor and outdoor sports venues, that's no longer the main component.

Instead, the 179-acre development features 1.4 million square feet of office space geared towards bio-tech, research, healthcare and STEM education, a convention center with 108,000-square-foot exhibit hall, 30,000-square-foot ballroom and 20,000 square feet of meeting rooms, a 300-room hotel, 250,000 square feet of retail and restaurant space, a new 300,000 north terminal at MacArthur to be connected to the Ronkonkoma LIRR station with an 1,800-foot corridor, and multiple parking structures to replace the existing 3,750 commuter surface parking spots and accommodate as many as

12,500 vehicles for the entire development.

The plan also includes a 180,000-square-foot sports and entertainment center, with 5,000 seats outdoors and from 4,000 to 6,500 seats indoors. The development team says it is hoping to secure a professional minor league team as the anchor tenant for the facility and that effort is headed by NHL Hall of Famer Pat LaFontaine, as the former New York Islanders center is a JLL consultant on the Midway Crossing project.

"Sports tourism is a \$19 billion a year industry. If the NFL is \$12 billion and the NHL is \$5 billion, that is bigger than them combined," LaFontaine told LIBN. "This is an opportunity to bring lacrosse, soccer, hockey, and other sports in one big compound."

And while the project's price tag of \$2.8 billion will be mostly funded by private investment, the necessary infrastructure, which

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Photo by Judy Walker

**PAT LAFONTAINE: 'The infrastructure money is there to build something significant and transformative for our future.'**

includes water, sewer, utilities and roads, as well as the convention center and airport terminal, could require as much as \$1 billion in public funds.

"What's important for people to understand is this is not a developer asking for public funds for their own benefit," said John Cameron, managing partner of Woodbury-based Cameron Engineering, Midway Crossing's engineering firm. "This is for public assets, public benefit, to make the project happen but also for the community."

Cameron said the development team has already submitted a \$50 million grant application with bigger grant requests to follow shortly.

"The federal funds are available, the state has \$4 billion that we qualify for, but the governor has established a \$350 million fund we're going to compete for and, if we get a good chunk, which can create structured parking, it can create water and sewer and roads," Cameron said. "The funding is there now, we can't wait. This is the year we really need to access it."

One of the goals of the project is to increase the number of passengers utilizing MacArthur, which currently only handles less than 1 percent of the passengers that use LaGuardia and JFK airports. Developers say the increase in airport business will be aided not only by Midway Crossing, but also the Metropolitan Transportation Authority's \$15 billion of improvements that boost capacity

on the LIRR.

"This is a once-in-a-lifetime opportunity for Long Island, where we actually have the public infrastructure dollars available to make the public assets happen, and we have



Courtesy of JLL

**MIDWAY CROSSING: The 179-acre development features 1.4 million square feet of office space geared towards bio-tech, research, healthcare and STEM education.**

public infrastructure available, being the East Side Access, Third Track, and Second Track, to bring New York City residents and professionals out to the site and have reverse commutes during rush hour," Cameron said.

"Now we're going to have a train-to-plane connection, where the busiest train station in Suffolk County can connect with an 1,800-foot walk or people mover, right to a new north terminal at an international airport. We never had that before."

The idea for developing the area between the Ronkonkoma LIRR station and MacArthur came about via a 2017 request for qualifications from the county with input from the Town of Islip. The Suffolk County Legislature voted in June 2018 to approve a memorandum of agreement for redeveloping the site, now mostly used for commuter parking.

The county selected the initial JLL plan over other proposals that included between 1,200 and 1,900 units of multifamily residences, office space, a hotel and conference center, and a 2 million-square-foot industrial park. Plans for additional housing didn't fly, since Tritec was already developing its plan on the north side of the Ronkonkoma LIRR station that will ultimately add more than 1,400 apartments throughout the 50-acre site. JLL was also selected by the Town of Islip to lead the development of the northern section of MacArthur Airport.

Besides the effort to secure public funding,

and educational opportunities and advances to our region," read the supervisor's letter. "We believe Midway Crossing's leveraging of existing and regional assets will serve as an economic boon to all of Long Island and the State of New York."

Developers say Midway Crossing would help Long Island retain the two out of three young people who say they plan to leave in the next five years due to a lack of good-paying jobs, according to Suffolk County.

JLL says the project would create 9,300 "career-track positions," including 4,300 careers in the STEM and healthcare fields. Upon full buildout, which is likely to take more than 10 years, developers project \$4.5 billion in annual economic impact, with \$2.7 billion from the project itself and another \$1.8 billion from airport improvements, tourism and related jobs.

"Without major economic development, Long Island has a challenge. We're losing people every day to Florida, Tennessee, North Carolina and if we don't do something to grow the economy, it's game over," Cameron said. "We need a major economic development project which can have clustered development, high-paying jobs, where young people can get educated and return to

the Midway Crossing development team, which includes a 30-member advisory board, has been presenting its plan to business and community groups to spread the word on the project's benefits. The developers addressed a special meeting of the Long Island Association last week.

"Midway Crossing is an ambitious proposal that would create a new destination on Long Island and help capitalize on Long Island MacArthur Airport, enhance its connectivity to the LIRR station at Ronkonkoma, create new jobs in the region's vibrant life sciences industry and establish a new sports and entertainment venue," said Matt Cohen, LIA's president and CEO. "The LIA supports this transformative project and looks forward to being a partner with the public and private sector."

The project has been endorsed by the Suffolk Supervisors Association, which sent a letter of support to Sen. Chuck Schumer signed by town supervisors.

"This transformational project would benefit residents across all 10 of our towns, and bring an increase in tourism, business,

Long Island or stay on Long Island and grow their families."

JLL says it is committed to ensuring a net-zero carbon footprint for Midway Crossing by 2040. A partnership between the developers and Siemens will create a microgrid to power most of the site and generate the airport's electricity from sustainable sources by 2030.

Once public funding is secured, the Midway Crossing project could get underway as soon as 2024, as Trulson said the private investment portion is already in place.

And while the estimated \$1 billion in public money sought for the Ronkonkoma project may sound like a big ask, observers point to the \$850 million in public funding going towards a new football stadium in Buffalo, a city with a population of about 255,000.

"The infrastructure money is there to build something significant and transformative for our future," says LaFontaine. "It's time. It's now. This is a true game changer for all of Long Island. And this opportunity only comes around once in a lifetime."

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Photo by Judy Walker

**JOHN CAMERON: 'The funding is there now, we can't wait. This is the year we really need to access it.'**