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New \$250M VC fund to target tech

Top Spin 2nd effort for Lowell, Guthart, Kissinger

By MICHAEL P. CONROY
Staff Writer

SYOSSET – Three founders of the Long Island Venture Capital Fund have pooled another \$245 million for a new investment fund aimed largely at Long Island tech start-ups.

Paul Lowell, Leo Guthart and Walter Kissinger, along with two other investors, have targeted three undisclosed technology companies on Long Island in which they plan to invest a total of \$10 million, as they complete their goal of raising \$250 million and begin investing in the next two weeks.

The fund, called Top Spin, has a planned lifespan of 10 years, during which the investors plan to earn their profit when the companies either go public, are acquired or throw off earnings.

Lowell, co-founder of the Long Island Venture Capital Fund – at five years, the Island's oldest – said only \$15 million remains to be invested of that fund's original \$70 million. Its investment targets, including Cosmocom and FatWire, are well on their way to IPOs. Another, Amplicon, was bought recently by San Francisco-based Tularik, a drug-research company.

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Wang waxes wise, page 6A

Aniboli group pushing dirt in Sayville

\$23 million mixed housing complex set for 42 acres

By NICK ANASTASI
Staff Writer

SAYVILLE – A development group headed by attorney Paul Aniboli has broken ground on a \$23 million residential project that includes luxury rental units for seniors and 17 single-family homes.

The project, approved last fall, will cover 42 acres at the intersection of the south service road of Sunrise Highway and Lakeland Avenue in Sayville. It will feature 342 one- and two-bedroom units with rents ranging from \$1,000 to \$1,200 per month. The

homes are expected to be priced in the \$400,000 range.

The partnership, the Sayville Development Group, includes Aniboli and investors Michael Adomowicz and Elizabeth Frazier.

The project, which is being financed through the Roslyn Savings Bank, will not be completed until late 2002, but Aniboli said some of the apartments will be ready for occupancy within a year. Though both the rental and single family facets of the project will be developed simultaneously, the

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Telecom travails

SBC's in, ATG's out, Verizon battles on

By ROBERT WALZER
Managing Editor

LONG ISLAND – Just when Verizon thought it could safely ring up sales with the departure of one telecom intruder, another has unveiled plans to fill its shoes.

SBC Communications, the San Antonio-based Baby Bell, will invest as much as \$25 million on telecom infrastructure and in hiring dozens of employees in a plan to grab 3 percent of Nassau and Suffolk's market within two years, the company said.

That move comes as Advanced Telecom Group, a California telephony startup that in September revealed plans for a \$20 million investment on Long Island, has opted to bow out. The company blamed the move on higher than expected local costs and a rash of start-up snags, including environmental problems with the firm's Long Island facilities.

ATG's final decision: Better margins were available elsewhere.

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AIR POCKET: Coronado Travel's Joseph Cosgrove is installing Web-based software to ease customer travel planning.

Bob Gagliano

By STUART MARKUS

The major airlines sell 80 percent of their tickets through the network of travel agents across the country. So why would they cut the throats of their sales force by cutting the commissions they pay from 10 percent five years ago, to 5 percent today, with a cap of \$50?

"Because they can," says Jeff Austin, president of Melville-based Austin Travel.

On top of that, Internet-based businesses such as Travelocity.com and Priceline.com are encouraging

people to book their tickets over the Web instead of the neighborhood travel office.

To cope, travel agencies are finding ways to diversify their business, emphasizing service, tour packages and fee-based services as sources of income and means of adding value to their products.

"If you're going to stay alive, you've got to do something," says Claudia Rabin-Manning, president of Baldwin-based Trump Travel (no relation to The Donald). "Selling tickets to Florida isn't going to

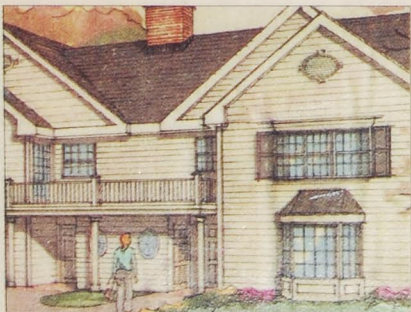
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Herman sells stake in PLIR

By NICK ANASTASI
Staff Writer

A Miami-based investment firm has made a "significant" investment in Prudential Long Island Real Estate, the \$1 billion-plus real estate brokerage headed by Dorothy Herman.

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SILVER CENTER: Senior units are part of the mix.

HOUSING

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senior living aspect is being given priority, he said.

"We just built a 72-unit senior rental complex in Brentwood that leased out in a month," said Jim Morgo, president of the Long Island Housing Partnership, alluding to the strong demand for senior rental units. "It's the hottest housing market on Long Island."

Seniors are Long Island's fastest-growing demographic, and many communities favor senior housing because the residents don't burden school districts with additional children but still contribute to the tax base.

Sayville and Islip were no exceptions.

"The project won favor because it will contribute upwards of \$900,000 in taxes without adding children," Aniboli said.

Demand is also there. Within days of erecting a sign on the site, the development group had received some 50 calls expressing interest.

The 17 homes are to be built on the south end of the property, abutting an established neighborhood of single family homes and acting as a buffer between the present homes and the planned rental units, Aniboli said.

The project is the group's second venture in the area. Earlier this year, the group proposed a \$20 million mixed-use project for a 33-acre parcel on the southwest corner of Veteran's Memorial Highway and Broadway. The partnership expects approval from the Islip Town board next month.

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