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Stakes climb in Calverton project bid

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In a move he said he hopes will end a bidding war for 755 acres of town-owned land in Calverton, RexCorp Realty chief Scott Rechler sent a letter Wednesday to Riverhead Supervisor Phil Cardinale raising his group's bid to \$125 million and threatening to withdraw his proposal if the town doesn't select it by Sept. 17.

"We have a lot of things we could be spending our time on, and we have spent a lot of time doing diligence and complying with zoning and working with the town," Rechler said. "Before we continue to spend that amount of effort, time and opportunity cost associated with this, we want the town to make that decision" between his proposal and another one.

RexCorp, in partnership with Suffolk developers Peter Scalise and Jim Petrocelli, has proposed a multiuse resort complex called Epcal Centre for the site. The plan includes motor sports-related attractions, a hotel and conference center and more than 1,500 time-share residential units.

The competing bidder, operating under the name Riverhead Resorts, has presented a plan that includes a man-made lake, on the space currently occupied by an abandoned landing strip, and a man-made indoor ski mountain.

Since his group's first presentation to the Riverhead Town Board, when he offered \$100million for the land, Rechler has urged officials to select his project on its merits before negotiating the financial details. Earlier this summer, he said he would not get into a bidding war.

Riverhead Resorts has since raised its offer twice, first to \$110 million and then to \$125 million.

Riverhead Resorts' Melville-based attorneys said they are confident in their proposal's chances.

"We're not in the business of giving ultimatums to town-elected officials," Weber Law Group partner Mitchell Pally said. "We're in the business of working with the town and the community, and we're here until whenever the town wants to make a decision."

But Rechler said the months his team has been working on the proposal should be "enough for the

town to decide what they want to pursue," and recent changes to his proposal - including increasing the number of time-share housing units and the higher money offer - were a result of the town's shifting interpretation of its existing zoning code.

Cardinale has said that the code is out of date and will have to be adjusted.

Jack O'Connor, a principal with Melville-based Newmark Knight Frank advising Riverhead on the process, said he agreed in principle with setting a deadline.

"This thing has been going on for more than six months right now, and these people have spent a lot of money," he said. "It's time that the town board make up their mind."

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