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DEVELOPMENT

Epcal Bidder Gives Riverhead a Deadline

By [JOHN RATHER](#)

CALVERTON

FOR the last seven months, Town of Riverhead officials have been in negotiations with two developers who have each bid \$125 million to buy more than a square mile of former Navy property to build what they say would be a major regional resort and recreation destination.

By tomorrow, said one of the two, a joint venture of the Long Island developer RexCorp and the Long Island Destination Group, local officials need to choose a developer for the 755-acre property. If not, the group said, it will walk away.

"The town needs to decide," said Scott H. Rechler, chairman of RexCorp, which calls its proposed project Epcal Center. "We have too many resources allocated here that we need to divert if we are not going to go forward."

At stake is the future of a big slice of 2,900 acres that the federal government signed over to the town in 1998.

Both developers propose what they say would eventually be a \$1 billion project that would transform the property, which is zoned for recreation; attract millions of visitors; produce tens of millions in annual tax revenue; and create hundreds of jobs. The developers say the property's size and location make it a one-of-a-kind site in the metropolitan area.

One developer, Riverhead Resorts, would raise a mountain and create a huge artificial lake. The other, the Epcal Center group, would build horse and auto racing complexes. Both projects would include a convention center; hotel rooms; retail businesses; sports and recreation amenities; and shared-ownership vacation homes.

Riverhead is a semirural agricultural town of 33,000, a poor cousin to the Hamptons but with a good location at the end of the Long Island Expressway and the junction of the eastern forks.

After years of dickering over what to do with the land, local officials have approved business and light industrial uses on other parts of Epcal, which is short for Enterprise Park at Calverton. Now they may be moving to decide immediately which of the two projects to back for the 755-acre recreational zone.

A decision by the five-member Town Board is possible by the RexCorp deadline, or a majority of the board could decide to wait for a higher offer and risk having RexCorp drop out.

"I'm not sure we should do anything right now," said Councilwoman Barbara Blass, who first wants to see how light industry and business fare at other parts of Epcal.

The town supervisor, Phil Cardinale, said money would count in the bidding, which weeks ago had topped out at \$100 million, before hitting \$125 million. "We were hoping to inspire a bidding war, and we finally did," he said.

With a megaproject to remake the town's downtown mired in complications, and the collapse of a \$40 million plan to reclaim land at the old landfill, officials are anxious to get it right this time.

Riverhead Resorts says it would build a 350-foot-high indoor ski mountain that would be the highest structure on Long Island and the largest snow-sport facility of its kind in the country. The sloping exterior would be covered in tons of earth — recycled from the site — and planted with trees and foliage.

The developer said it would also excavate a 90-acre lined lake, stock it with fish and surround it with eight themed subresorts. The lake would cover one of two runways where Grumman, now Northrop Grumman, tested F-14 jets it built there for the Navy from the 1970s to 1992.

RexCorp's Epcal Center would include a sprawling equestrian complex, a 10,000-seat auto racetrack and a looping motorway to attract automobile enthusiasts.

But the Greater Calverton Civic Association opposes the racetrack, downsized in the latest plan from 80,000 seats, but still feared as a source of noise. "We are pretty much against any aggressive use of the property," said Rex Farr, the association's president.

Mr. Rechler, of RexCorp, said the track would be engineered to limit noise.

The Epcal Center group is stressing its Long Island roots and saying that its proposal is more compatible with business and light-industrial uses planned elsewhere on the property. RexCorp, based in Uniondale, is also in a joint venture with [Charles B. Wang](#), the Computer Associates founder, to build a \$2 billion suburban center at and around the Nassau Veterans Memorial Coliseum in Uniondale.

The Long Island Destination Group includes members of the Petrocelli family, builders of Atlantis Marine World on Riverhead's Main Street.

Mitchell H. Pally of Weber Law Group, a spokesman for Riverhead Resorts, said the developer was standing by its \$125 million offer for the Calverton land but was willing to wait for the town's decision. "We are not in the business of setting artificial deadlines for elected officials," he said.

Riverhead Resorts' principals include Baldragon Homes, a Scottish home-building company; Bayrock Group, an international real estate investment and development company; LEDO International, a themed resort planner and manager; and HOK, an architecture, urban design and planning company.

Riverhead Resorts' proposed indoor ski park and mountain would far exceed town height limits and would need a zoning variance. Epcal Center officials contend that approval of the mountain is hardly guaranteed and that its project is less dense and more in keeping with rural Riverhead.

Councilman Ed Densieski, who backs Epcal Center, said of the mountain, "I can't see that happening."

Mr. Farr, of the civic association, said that the town should not be rushed. "We are better off waiting," he said.

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