

Summary of
“A Comprehensive Reuse Strategy for the NWIRP at Calverton, Riverhead, Long Island”
March 1996

In 1996, a Comprehensive Reuse Strategy for the NWIRP at Calverton (hereinafter the “1996 Reuse Strategy”) was issued. This 1996 Reuse Strategy includes a Calverton master development plan for the subject property that is intended to create a marketable tool to attract private development and that:

“As a blueprint for future growth, it provides a basis for all land use decision making and for the adoption of zoning regulations”

The Calverton master plan environs a multi-use enterprise park that has a major industrial complex as its focus, but is intended to be flexible depending on the market and economic conditions. This master plan was never implemented and the existing zoning has not been changed by the Riverhead Town Board to reflect its recommendations.

In 1994, ownership of the NWIRP Calverton property was conveyed from the United States Navy (U.S. NAVY) to the Town of Riverhead Community Development Agency (CDA). As part of the legislation, it was required that the CDA formulate an economic development-based reuse strategy for the subject property.

The Town of Riverhead proceeded to form the “Calverton Air Facility Joint Planning and Redevelopment Commission” (hereinafter the “Reuse Commission”), composed of various officials from the Town of Riverhead, surrounding townships, Suffolk County, New York State, the Federal government, and civic organizations, to articulate a vision for the future reuse of the property. The Reuse Commission identified four primary goals for reuse of the NWIRP Calverton property, which included:

1. *Attract private investment*
2. *Increase the tax base*
3. *Maximize job creation*
4. *Enhance regional quality of life (Page 5)*

In order to achieve these goals, the Reuse Commission envisioned an eight-part mission, as follows:

1. *To provide for industrial land use in conformance with the Town of Riverhead Master Plan and its amendments.*
2. *To provide for a new zoning use district regulating the site which will encourage the highest and best adaptive reuse of the property with the greatest potential for economic development while respecting the ecology of the area.*
3. *To encourage appropriate industrial and commercial development in order to accommodate regional growth influences.*

4. *To encourage specifically those types of industrial, commercial and recreational uses, which are integrated with the overall economic development policy of the Town of Riverhead.*
5. *To attract industrial development to an area which is economically and environmentally feasible for development due to existing infrastructure and other improvements.*
6. *To provide for infrastructure improvements designed to mitigate against the degradation of the Peconic Estuary and the Central Suffolk Pine Barrens*
7. *To examine continued aviation uses in support of on-site commercial/industrial development.*
8. *To identify and attract those enterprises and technologies which will generate employment of high skill levels, apprenticeship programs, and lower skill support employment in order to replace the economic activity previously existing at the site (Page 5).*

Based on the aforementioned goals and eight-part mission formulated by the Reuse Commission, a reuse strategy was developed, and, in 1996, a Comprehensive Reuse Strategy for the NWIRP at Calverton (hereinafter the “1996 Reuse Strategy”) was issued.

The 1996 Reuse Strategy involved three separate phases, including:

Phase One: Opportunities and Constraints Analysis: *During this initial phase, the team developed a detailed understanding of the physical, environmental, and economic factors that will affect the redevelopment of the [NWIRP Calverton property]. These analyses were then evaluated in terms of their potential benefit or detriment to the successful reuse of the facility.*

Phase Two: Evaluating Reuse Scenarios: *Based upon the phase one analyses, and substantial input from the community, the team crafted three potential scenarios for redevelopment of the Calverton facility. Each scenario retained the existing industrial core. The thrust of the three scenarios were: An entertainment/tourism complex, an aviation-based industrial park, and a retirement community. Each scenario was evaluated in terms of economic, physical, and policy considerations. The appendices include an in-depth discussion and analysis of these scenarios.*

Phase Three: Developing a Master Reuse Strategy: *The final phase of this process called for the reconciliation of the three scenarios into a recommended plan. Drawing upon input from the community and elected officials, and based upon the market and physical evaluations, the team developed a recommended reuse strategy. This strategy was presented in a series of outreach sessions, and, with modifications based on feedback, provided the basis of this document. (Page 7).*

A summary of each phase is presented below.

Phase One

Phase One of the *1996 Reuse Strategy* included a comprehensive assessment of existing conditions at and surrounding the NWIRP Calverton property, including physical characteristics of the NWIRP facilities at the NWIRP Calverton property, transportation systems, zoning, and the economic and market context for reuse. The economic and market context portion evaluated aviation-based, industrial and office, retail, residential, and leisure and tourism markets to determine what type of development, or combination thereof, would constitute the highest and best reuse of the NWIRP Calverton property in an economic context. The study concluded that industrial and office uses, as well as the leisure and tourism uses, were best suited at the NWIRP Calverton property, that aviation-based and retail uses would be best suited as ancillary to other major uses, and that residential uses would not be appropriate.

Based upon the findings of Phase One, the *1996 Reuse Strategy* determined the NWIRP Calverton property offered the following strengths:

1. *Extremely well-buffered (minimized impacts of noise levels and industrial/commercial activity upon residential areas).*
2. *An accepted and widely supported history of industrial activity on site, together with well-maintained support infrastructure*
3. *Large size. Multiple development parcels with tremendous flexibility.*
4. *Potential for on-site energy generation.*
5. *Municipal ownership providing incentivized business costs.*
6. *High-profile opportunity for New York State to advance economic development goals of job growth and new business investment.*
7. *Geographically positioned to take maximum advantage of well established roadways and railroad facilities.*
(Page 19).

Phase Two

Phase Two of the *1996 Reuse Strategy* consisted of formulating a Master Plan for the reuse of the NWIRP Calverton property and supporting the proposed best-suited uses through an explanation of the benefits, primarily economic and fiscal in nature, which could be realized if implemented. The *1996 Reuse Strategy* articulated the vision for the reuse as “a multi-use enterprise park that has at its core a major industrial complex. This reuse of existing facilities is augmented with a land allocation that builds upon the emerging leisure and tourism economy of the East End” (Page 20).

Three major organizing elements were identified regarding the proposed land use plan, which included:

1. *Preservation of the Pine Barrens Core Area* (legislatively mandated).
2. *Retention of major runway facilities* (due to the fact that they are virtually irreplaceable resources).
3. *Reuse of the industrial core* (the existing buildings and supporting infrastructure represent a prime opportunity for reuse).

Based on the foregoing, the 1996 *Reuse Strategy* formulated a Master Plan which included the components described in Table 1 below.

Table 1 – Master Plan Development Components

Proposed Use	Area
Industrial Business Park	365± acres
Theme Park	524± acres
Sports Park	911± acres
Nature Park	938± acres
Infrastructure	15± acres
Total:	2,753± acres

The Industrial Business Park component of the Master Plan, which would be located in the central portion of the NWIRP Calverton property, was proposed to be 365± acres in size and would reuse the existing building and support infrastructure from the vacated Calverton NWIRP facility. Parcelization of the property within the Industrial Business Park component was encouraged to facilitate the development of a variety of businesses and uses such as aircraft maintenance, a business incubator, and movie production facilities.

A theme park district, approximately 524± acres in size, was proposed to be located in the northwestern portion of the NWIRP Calverton property, identified as “Attractions”, which would accommodate a regional theme park “ranging in size and attendance from 300,000 to 500,000 per 90-day season to a nationally-affiliated park such as a Paramount or Six Flags with potential attendance in excess of 2.5 million per year.” The existing 7,000-foot runway would be utilized for visitor parking for the theme park. In addition to the theme park, a hotel and conference center and service retail uses were also proposed as part of the theme park district.

On the eastern portion of the property, east of the 10,000-foot runway, a 911±-acre sports park district was proposed. A 6,000 - 8,000-seat stadium facility was the primary use in this area, utilizing the 10,000-foot runway for parking. However, the Master Plan does not specifically advocate for once particular use, allowing for flexibility in development of this district. Additionally, a smaller portion of the sports park district would be dedicated to commercial uses.

In an effort to take advantage of the natural features found at the NWIRP Calverton property, the *1996 Reuse Strategy* proposed 938± acres of nature-park and recreational areas, located throughout the NWIRP Calverton property. The Pine Barrens Core area, McKay Lake, a community park, a public golf course, a buffer area constructed for the National Cemetery to the north, a recreation area located in the Industrial Business Park, and an endangered species habitat area comprised the nature-park and recreational areas.

The *1996 Reuse Strategy* identifies several potential business opportunities that could be taken advantage of assuming the implementation of the Master Plan. These include:

- **Business Incubator:** This was proposed as a catalyst for the development of agricultural, aquaculture, and environmental industries, in order to complement the NWIRP Calverton property's East End location.
- **Film and Production Studios:** Based on research undertaken in Phase One of the *1996 Reuse Strategy*, this business opportunity was identified as having great potential at the NWIRP Calverton property.
- **Raceway Proposal:** A raceway complex was identified as a potential use at the NWIRP Calverton property due to property's suitable conditions for such a venue, such as the substantial buffers the property offers as well as the existing runway infrastructure.

Phase Two of the *1996 Reuse Strategy* also discussed the economic and fiscal implications associated with implementation of the Master Plan. In summary:

- Development of a theme park and/ or the raceway proposal would quickly stimulate the development of secondary uses.
- Under ideal conditions, the proposed Industrial Business Park would have attracted 50,000 square feet of new industrial space per year, with an annual net leasing rate in the range of \$3.50 to \$5.50 per square foot. By the fifth year of operation, net revenues were projected to be approximately \$1 million per year.
- Commercially-zoned land was projected to sell in the range of \$25,000 to \$45,000 per acre. Leasing rates were projected to be approximately 10 percent above selling rates.
- Generation of 3,000 full-time equivalent (FTE) jobs over a 20-year timeframe, including industrial jobs and seasonal jobs would be associated with the theme park and/ or raceway.
- The projected tax revenues were \$3.2 million in property tax revenue, \$10.7 million in sales tax revenue, and \$2.5 million in State income tax.

Phase Three

In the final phase of the *1996 Reuse Strategy*, Phase Three, an implementation strategy for the Master Plan was developed. Four separate strategies were developed in order to achieve realization of the Master Plan, including acquisition, management, marketing, and investment. The primary elements of these strategies, as articulated in the *1996 Reuse Strategy*, are discussed below.

Acquisition Strategy

The Acquisition Strategy consisted of the development of recommendations for site conveyance mechanisms in order to allow for the efficient, productive, and successful transfer of the NWIRP Calverton property from the U.S. Navy to the Town of Riverhead CDA. These recommendations included:

- The provision of regular access to the NWIRP Calverton property in order to allow the Town of Riverhead CDA to show it to potential tenants and others with an interest in the property.
- The U.S. Navy would continue maintenance of the site, estimated to cost approximately \$3.5 million per year, until conveyance to the Town of Riverhead CDA. During this interim period, the Town of Riverhead CDA would be allowed to identify industrial tenants who would immediately occupy the NWIRP Calverton property.
- The U.S. Navy was to complete an EIS in accordance with the National Environmental Policy Act (NEPA), assessing the environmental impacts of conveyance of the NWIRP Calverton property to the Town of Riverhead CDA, as well as to evaluate environmental impacts of various reuse scenarios, including the *1996 Reuse Strategy*. The U.S. Navy would be responsible for any environmental cleanup at the NWIRP Calverton property, as investigation led to the identification of soil and groundwater contamination in several areas. Finally, it was recommended that the U.S. Navy maintain and transfer all environmental permits associated with the NWIRP Calverton property at the time of conveyance.
- In order to expedite the conveyance of the NWIRP Calverton property, it was recommended that non-contaminated areas be transferred first, while environmental cleanup was being undertaken in contaminated portions of the property. Further, this would facilitate the parcelization of the NWIRP Calverton property, which would be necessary to implement the Master Plan.

Management Strategy

The recommended Management Strategy of the *1996 Reuse Strategy* sought to develop an approach for how the Town of Riverhead CDA would manage the substantial amount of property. The primary goal of the Management Strategy, as excerpted from the *1996 Reuse Strategy*, was to help the Town of Riverhead CDA:

“meet head-on this new challenge in such a way that development goals will be achieved without accountability being compromised. The role of the CDA as owner, developer and local redevelopment authority must be clearly distinguishable from the Town Board’s role as reviewer and protector of the public trust.” (Page 41)

To this effect, the 1996 *Reuse Strategy* made the following recommendations for a management structure:

- *The Riverhead Town Board maintains exclusive responsibility for the creation and implementation of the [Planned Development District] which will provide the framework for all development at the site.*
- *The Town Board would create a successor [to] the Calverton Joint Planning and Redevelopment Commission, approving a charter for this advisory entity and specifying the qualifications and jurisdictions of members who should serve for fixed terms.*
- *The Site Development Advisory Commission (SDAC), successor to the Planning Commission, should include a [diverse] professional representation to serve as a real estate and business advisory committee, providing a review function for the Town Board/Community Development Agency with regard to policy and operational issues.*
- *The primary objective of the SDAC shall be to organize and recommend for implementation a series of actions to initiate the operational phase of the reuse.*
- *The SDAC would review transactions, undertake preliminary negotiations if appropriate and provide recommendations to the Community Development Agency regarding proposed uses and lease agreements.*
- *The SDAC would serve as an advocate for project support, as appropriate.*
- *The Community Development Agency would retain personnel decision making authority, lease approval and operational contract authority.*
- *In the absence of a master tenant/developer, the Community Development Agency would be responsible for the following:*
 1. *Contracting for operation of the industrial district by a single property management firm or multiple contractors.*
 2. *Management of all marketing efforts undertaken by contract with a national real estate marketing and/or brokerage firm or property development firm.*
 3. *Contract for services and negotiable land transactions utilizing input from SDAC.*
 4. *The Community Development Agency will pursue funding sources for management, marketing and infrastructure improvement to support redevelopment.*
 5. *The Community Development Agency would continue liaison with the US Navy and other government staffers regarding conveyance timing, closure and cleanup obligations, and funding considerations. (Page 42).*

The Management Strategy also sets forth recommendations for the management of development of the NWIRP Calverton property for two different scenarios: the Town of Riverhead as the Master Developer or a private developer as the Master Developer.

Marketing Strategy

A Marketing Strategy was developed in order to promote the reuse of the NWIRP Calverton property. To this end, it was recommended that a Development Advisor be put in place and charged with the following responsibilities (Page 46):

- *Validate the Asset/Property Management System.*
- *Assist in Implementing the Master Land Use Plan.*
- *Manage Proposed Short-Term Uses.*
- *Market Developable Land Parcels.*
- *Monitor Project Fiscal Integrity.*

The *1996 Reuse Strategy* identified the most critical component of the site image as “*establishing...the character and scope of the first tenants at the site. These anchor tenants will set the tone for future users*” (Page 46). The *1996 Reuse Strategy* goes on to state the need for a separate, but coordinated, marketing strategy for the three primary proposed districts (i.e., Industrial Business Park, Theme Park, and Sports Park).

With regard to the Industrial Business Park, the Marketing Strategy recommended the use of high-end marketing materials; the potential creation of a “Foreign Trade Zone” at the NWIRP Calverton property; pro-active marketing through the use of competitive incentives; and the use of initial tenants, such as a business incubator and/ or a film production facility, to help recruit additional tenants, as they would be natural business attractors.

Marketing recommendations for the Theme Park included outreach to leading theme park operators, soliciting proposals from theme park operators, creating a friendly regulatory environment for the development of such an attraction, and coordinating with other tourist destinations in the area (i.e., Splish-Splash, Tanger Outlets, Okeanos, etc.).

For marketing of the Sports Park and associated commercial uses, the *1996 Reuse Strategy* recommended expediting the evaluation of a raceway, developing the proposed golf course in concert with the hotel/ conference center, working with the State of New York and Suffolk County on stadium outreach, and marketing parcels located along the New York State (NYS) Route 25 corridor.

Investment Strategy

The final component of Phase Three, the Investment Strategy, focused on the financing of capital improvements. Several guidelines were created to help shape this strategy, including (Page 51):

- *Minimize up-front expenditures by taking maximum advantage of Grumman/Navy infrastructure*
- *Link investment to commitments by major new users.*
- *Use public dollars to leverage private investment.*
- *Preserve asset value with strategic improvements.*

The *1996 Reuse Strategy* identified long-term infrastructure improvement needs as part of the investment strategy (Page 53), which included:

- **Water Supply:** Development at the NWIRP Calverton property would significantly increase the demand for potable water, which would necessitate the transition from using an on-site well system to a regionally connected network, the Riverhead Water District.
- **Wastewater Treatment:** Portions of the NWIRP Calverton property are served by a wastewater treatment system. However, development of the NWIRP Calverton property in accordance with the proposed Master Plan would create a demand on this system in excess of capacity. Improvements to the existing system, or the construction of a new facility, would be required.
- **Electrical Energy:** Competitive on-site generation and distribution of electrical energy is a possibility at the NWIRP Calverton property in the event Long Island suppliers cannot provide service.
- **On-site Roadway and Landscaping:** Investment in internal roadway and landscaping improvements, especially in the area of the proposed Industrial Business Park, would greatly enhance the marketability of the NWIRP Calverton property.

Key Development Considerations

The *1996 Reuse Strategy* identified the key development considerations for the Master Plan, including (Pages 54-8):

- Development of industrial jobs.
- Attracting a theme park use to anchor the NWIRP Calverton property.
- Determining the most appropriate lease and purchase structures.
- Determining the most beneficial allocation of the rent and payments-in-lieu-of-taxes (PILOT) revenue.
- Assessing the value and demand of Pine Barrens Credits associated with the Pine Barrens Core Preservation Area located on the NWIRP Calverton property.

- Developing a long-term strategy for reuse of the existing runway infrastructure.
- Development of not-for-profit uses, such as a railroad or aviation museum.

The *1996 Reuse Strategy* identified goals in redeveloping the NWIRP Calverton property, developed a reuse strategy containing three phases, and established a Master Plan for the property. The *Town of Riverhead Resolution No. 572*, executed July 16, 1996 through a vote by the Town of Riverhead Town Board (Town Board), established that the “Calverton Enterprise Park Reuse Plan” (i.e., the *1996 Reuse Strategy*) was the preferred reuse alternative for the NWIRP Calverton property, pursuant to the requirements of NEPA.