

## A 14-ACRE PARCEL WITH A 15,000 S/F INDUSTRIAL BUILDING

# Welsh of Zere Real Estate Services completes \$1.6 million sale within Calverton Enterprise Park

RIVERHEAD, NY Kevin Welsh of Zere Real Estate Services has recently closed on a new transaction in the



**Kevin Welsh**

Town of Riverhead's Calverton Enterprise Park (EPCAL) formerly owned by the U.S. Navy and occupied by Northrop Grumman.

This deal entailed the sale of a fourteen-acre parcel with a 15,000 s/f industrial building on the premises. The seller of the property consolidated their company and sold the property for an estimated \$1.6 million.

The deal started out smoothly with the customary Phase I environmental report. The results of the report requested an additional Phase II environmental report to remove underground tanks and take soil samples on the site, incurring a substantial financial burden on the seller extending the closing an additional two months, a potential deal killer.

As a result of the environmental company's findings, the bank would not fund the project due to pressures from the SBA office in Sacramento, California, who were relentless in their demands. They were not satisfied with the US Navy's report and wanted documented proof that the tanks were removed and that the soil had been tested in accordance with local and state law.

The first person Welsh approached to unravel this mess was Andrea Lohneiss, the director of the Community Development

Agency for the Town of Riverhead. Lohneiss was very helpful and sent over documents that supported a satisfactory remediation of the premises.

Marie Zere, president & CEO Zere Real Estate Services, is considered an expert on land use and regulations at one time represented properties owned by Northrop Grumman in Calverton and has been working within EPCAL for many years. She insisted that there was evidence that the tanks no longer existed and challenged the environmental report. Zere knew first hand that the remediation process for EPCAL was complete prior to this deal and encouraged Welsh to take on the task of digging into the archives, reading and compar-

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ing thousands of pages of voluminous records in the Riverhead Library, where the environmental company originally searched to no avail.

While culling through endless records, Welsh first came across wording that supported that the tank removal had been successfully implemented. That was not enough. After the deal died several times, he went back to the library again and finally discovered the actual photos supporting the removal of the tanks. More importantly, he was able to recover the most recent documentation that proved the subject site had been found to be "suit-



Shown (from left) are: Michael Zere, Marie Zere, and Kevin Welsh of Zere Real Estate Services, strategizing over architectural development plans.

able for transfer without further environmental investigation or action." This crucial documentation was previously overlooked. This was the missing link that nearly killed the deal. They were formally submitted as evidence, which eventually satisfied the SBA office in Sacramento, Calif.

Sometimes the difference between being a good broker and a being a great broker is when the broker is not afraid to question the judgment of an environmental engineer or any other professional, particularly if a deal-breaking issue arises; then they should look into the matter more comprehensively. "If anyone needs a broker who goes above and beyond the

norm, Kevin's their man," said Zere. She advised Welsh to gather an arsenal of information to present to the buyer, the seller and the environmental company to put the deal back together again.

"We believed the preliminary Phase I report was lacking crucial information and with faith in Marie's experience and knowledge of the existing environmental reports, I was confident the solution could be found in the Town of

Zere Real Estate Services firmly believes this deal would never have happened without the total cooperation of both the seller, Mike Reilly, and the buyer who both went above the norm to consummate a deal. In fact, Reilly extended the contract beyond the expiration date despite the fact that he had another deal on the table for more money, a highly unusual stand. Zere said, "He is a man of his word, a refreshing quality during

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Riverhead's records. With the cooperation of the Town of Riverhead, particularly Andrea Lohneiss and the staff of the Riverhead Library, I was able to recover all of the the necessary documentation to resuscitate the deal. With the existing reports we were able to resolve the environmental issues without having to perform a Phase II saving thousands of dollars and critical time. With the patience of both the buyer and seller we were able to finally close the deal at the end of the 2006 calendar year" said Welsh, of Zere Real Estate Services

this competitive time in business when there is a high demand for properties for sale."

The deal turned out to be a wonderful way to round out 2006 for all parties involved.

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Aerial shot of Calverton Enterprise Park