

Steel Equities to acquire Bethpage site

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Chuck Tabone

Real estate developer [Steel Equities](#) is in contract to buy a 22.5-acre site on the former Grumman campus in Bethpage, the largest available industrial parcel in Nassau County.

The purchase price was not disclosed, but sources pegged the deal at about \$7.5 million.

Steel Equities has asked the [Nassau County Industrial Development Agency](#) for a five-year freeze on property taxes on the parcel, with an option to renew the deal for an additional 15 years. The agency was due to vote on the request on Friday.

The acquisition would cement Steel Equities as the largest landlord at the historic Grumman site, where the developer already owns 95 acres it acquired from the county two years ago for \$15 million. Current tenants include Gold Coast Studios, Eye Wear Designs, Banfi Wines, Penn Steel and PSI.

The latest acquisition will add almost 375,000 square feet of rentable space, 200,000 of which is designated for office use.

Northrop Grumman sold the property in 2002 to E&F Trucking for \$11.3 million, leasing back about 100,000 square feet. Three years later, E&F sold it to Brooklyn-based Kalmon

Dolgin Affiliates for \$24 million, leasing back about 50,000 square feet.

Kalmon Dolgin later defaulted on the mortgage and the property was passed to a special loan servicer, Washington-based CW Capital.

Jack O'Connor, Brian Lee, Chuck Tabone and Scott Berfas of [Newmark Grubb Knight Frank](#) in Melville represented both Steel Equities and CW Capital in the latest deal.

The site is zoned to accommodate light industrial and office use. Brokers say it could be subdivided to host multiple businesses or redeveloped to serve as a single corporate headquarters.

Although Northrop Grumman continues to downsize in Bethpage – the firm moved out of 80,000 square feet at 1055 Stewart Ave. in January – the former defense campus continues to morph into an active business park, hosting companies like Sleepy's and Cablevision.

"Steel Equities' track record of acquiring older, obsolete industrial plants, investing major time and money, and injecting new life into them has proven to be very successful in attracting tenants and creating jobs," Tabone said.