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## Lighthouse JV Submits \$2B Nassau Hub Development Plans Early

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By: Amanda Marsh, Associate Editor

Months ahead of schedule, Lighthouse Development Group--a joint venture of developer Charles Wang and RexCorp Realty L.L.C.--have filed plans with Long Island's Town of Hempstead for the approximately \$2 billion, 5.5 million-square-foot Lighthouse at Long Island mixed-used development.



The filing and rezoning of the site marks the start of the official public review and approval process of the project, which will revitalize the Nassau Veterans Memorial Coliseum (pictured) and the surrounding area into a 24/7 suburban center through a 150-acre planned development district. Lighthouse will include various housing projects, office space, complementary retail, conference and exhibition space and Long Island's first five-star hotel.

In the meantime, the Lighthouse Development team has already started a review of existing environmental conditions surrounding the site, including traffic, access to public transportation, land uses, utilities and other considerations which will form the baseline for an environmental impact statement that will study the impacts associated with the proposal. A public scoping process is expected to begin in early 2008, and RexCorp chairman & CEO Scott Rechler recently told CPN that the project should start within 18 to 24 months.

The project is expected to generate almost \$60 million of annual real estate tax revenue, 16,000 construction jobs, thousands of permanent jobs and many new businesses. Overall, Lighthouse at Long Island will add more than \$200 million of incremental revenue over the next 25 years to Nassau County and New York State, the joint venture had noted.

"This development is a positive for Long Island," said Brian Dugan, senior managing director of CB Richard Ellis Inc.'s Long Island, Queens, Brooklyn and Bronx office, who is not involved in the project. "There's not enough new product in Long Island, and projects that are (coming online) are not enough."

Dugan noted that many companies have also been more aware of their earnings and may rethink paying \$125 per-square-foot rents in Manhattan. "Why pay that much when you can get \$42-per-square-foot brand new space?" he asked. And since the other major New York City metropolitan office markets--Westchester, Fairfield, Conn. and the New Jersey waterfront--are extremely tight, Long Island would be a natural transition. "(Long Island) is hoping to become a recipient," he continued. "This project has the kind of infrastructure companies are looking for."

The powerhouse duo of Rechler and Wang have been keeping quite busy as of late; at the end of October, they announced the creation of the Lighthouse Foundation, a charitable organization that received an initial endowment of \$1 million from Lighthouse Development Group. The mission of the foundation is to identify and nurture opportunities that strengthen the communities and institutions that surround both the Coliseum and the Lighthouse project.

RexCorp has also recently announced two other major mixed-use projects on Long Island: the \$1 billion, 67-acre waterfront Glen Isles development in Glen Cove; and a \$550 million, 224-unit Ritz-Carlton condominium residences project in North Hills with co-developer Midtown Properties. The latter project is part of a \$2.8 billion partnership between RexCorp and Midtown, which will also include another Ritz-Carlton residential project in Baltimore's Inner Harbor and a 6-million-square-foot mixed-use waterfront project in Bridgeport, Conn.

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