TOWN OF RIVERHEAD
CALVERTON RAIL ACCESS REHABILITATION

Final Report

Prepared for

THE NEW YORK STATE
ENERGY RESEARCH AND DEVELOPMENT AUTHORITY
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NYSERDA Agreement Number 11105-1-0

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16. Abstract: **Enterprise Park at Calverton (EPCAL) is located on the property formerly occupied by Grumman Corporation in Riverhead that was operated as the United States Naval Weapons Industrial Reserve Plant at Calverton. Today EPCAL contains an Industrial Park which is home to many businesses which help support the east end of Long Island. The existing track of the rail spur is approximately 2.8 miles long. The restoration of service along the rail spur will rehabilitate the existing infrastructure and provide congestion mitigation through shipping products via freight rail to Eastern Long Island and eliminate trucks from Long Island and Metropolitan New York roadways. It will make the existing businesses at the industrial park more competitive by reducing their costs. In addition, it will make the industrial park more attractive to future tenants, helping to realize the planned expansion from the current one million square feet of industrial use to three million.**			
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ABSTRACT AND KEY WORDS

Enterprise Park at Calverton (EPCAL) is located on the property formerly occupied by Grumman Corporation in Riverhead that was operated as the United States Naval Weapons Industrial Reserve Plant at Calverton. Today EPCAL contains an Industrial Park which is home to many businesses which help support the east end of Long Island. The existing track of the rail spur is approximately 2.8 miles long. The restoration of service along the rail spur will rehabilitate existing track in place, replacement of wood ties, rehabilitation of new steel tie track construction through NYSDEC regulated wetland areas, reconstruction and/or removal of grade crossing locations, construction of new turnouts, and construction of pre-cast concrete culvert.

The end result will rehabilitate the existing infrastructure and provide congestion mitigation through shipping products via freight rail to Eastern Long Island and eliminate trucks from Long Island and Metropolitan New York roadways. It will make the existing businesses at the industrial park more competitive by reducing their costs. In addition, it will make the industrial park more attractive to future tenants, helping to realize the planned expansion from the current one million square feet of industrial use to three million.

Key words

Freight

Rail

Congestion Mitigation

Rehabilitation of Infrastructure

Long Island Rail Road

New York Metropolitan Transportation Council Feasibility of Freight Villages

Enterprise Park at Calverton

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NYSERDA Agreement Number 11105-1-0

Calverton Rail Access Rehabilitation

Final Report

1. **Title of Project**: Calverton Rail Access Rehabilitation
2. **Agreement Number**: NYSERDA Agreement Number 11105-1-0
3. **Reporting Period**: December 2008 through October 2010
4. **Progress of Project During the Reporting Period**: HDR performed site inspection (see attached "Calverton Rail Rehabilitation – Site Inspection Report"); prepared construction design; project was fully funded through state and federal grants (American Reinvestment & Recovery Act; NYS Empire State Development Corp.; NYS DOT); project was bid and construction started; construction approximately 75% complete as of mid-October 2010.
5. **Identification of Problems**: To date the project has been widely successful and has progressed quickly to full rehabilitation of the Calverton Rail Access.
6. **Planned Solutions**: NYSERDA/NYSDOT funding provided tremendous leveraging to the Town of Riverhead by funding design for a "shovel ready" rail rehabilitation that ultimately was 100% funded by the American Reinvestment & Recovery Act; NYS Empire State Development Corp.; and NYS DOT for over $5.5 million.
7. **Schedule**: NYSDERDA project Tasks are 100% complete and within schedule.
8. **Costs**: Actual project costs for complete rehabilitation of the Calverton Rail Access will be approximately $5.5 million. Design costs for the Calverton Rail Access Rehabilitation that was the focus of the NYSERDA funded portion of the project amounted to approximately $185,000 for biddable construction rehabilitation documents that provided the ability to complete rehabilitation construction of the project by early 2011 with support of American Reinvestment & Recovery Act; NYS Empire State Development Corp.; NYS DOT funding.

1. DESCRIPTION OF STUDY

The purpose of the Calverton Enterprise Park Rail Access Rehabilitation project was to: restore track access to the Calverton Enterprise Park point of service thereby providing congestion mitigation throughout the New York Metropolitan Region as a result of shipping products via freight rail to Eastern Long Island and eliminate trucks from Long Island and Metropolitan New York roadways; make existing businesses at the industrial park more competitive by reducing their costs; and make the industrial park more attractive to future tenants, helping to realize the planned expansion from the current one million square feet of industrial use to three million. Simultaneously, NYS DOT undertook a study entitled Consideration of Potential Intermodal Sites for Long Island and the New York Metropolitan Transit Council (NYMTC) undertook a study to determine the feasibility of locating freight villages in the NYMTC region and to determine how or if they would mitigate the deficiencies challenging the region.

The objectives of the NYMTC project are to identify potential relevance of freight villages to the NYMTC region, identify the benefits of such development, identify potential sites in the NYMTC region, and provide education to, and elicit input from, the public. Both studies incorporated the Calverton Enterprise Park site into the analysis, most likely because NYSERDA funded the initial project to begin the rehabilitation of rail access at Calverton Enterprise Park.

The NYSERDA funded project to support rehabilitation of the Calverton Freight Rail Access effectively pushed the Calverton site into a more competitive position for analysis as a potential intermodal or freight village location. Both NYSDOT and NYMTC have identified the Calverton Enterprise Park as a competitive location for a freight village or some type of intermodal facility build out. To date, the most recent draft report in conjunction with the NYMTC freight village feasibility study rated six potential sites in the NYMTC region and placed Calverton Enterprise Park as a close fourth in the ranking based on a variety of metrics related to demographics, existing infrastructure and other potential build out factors.

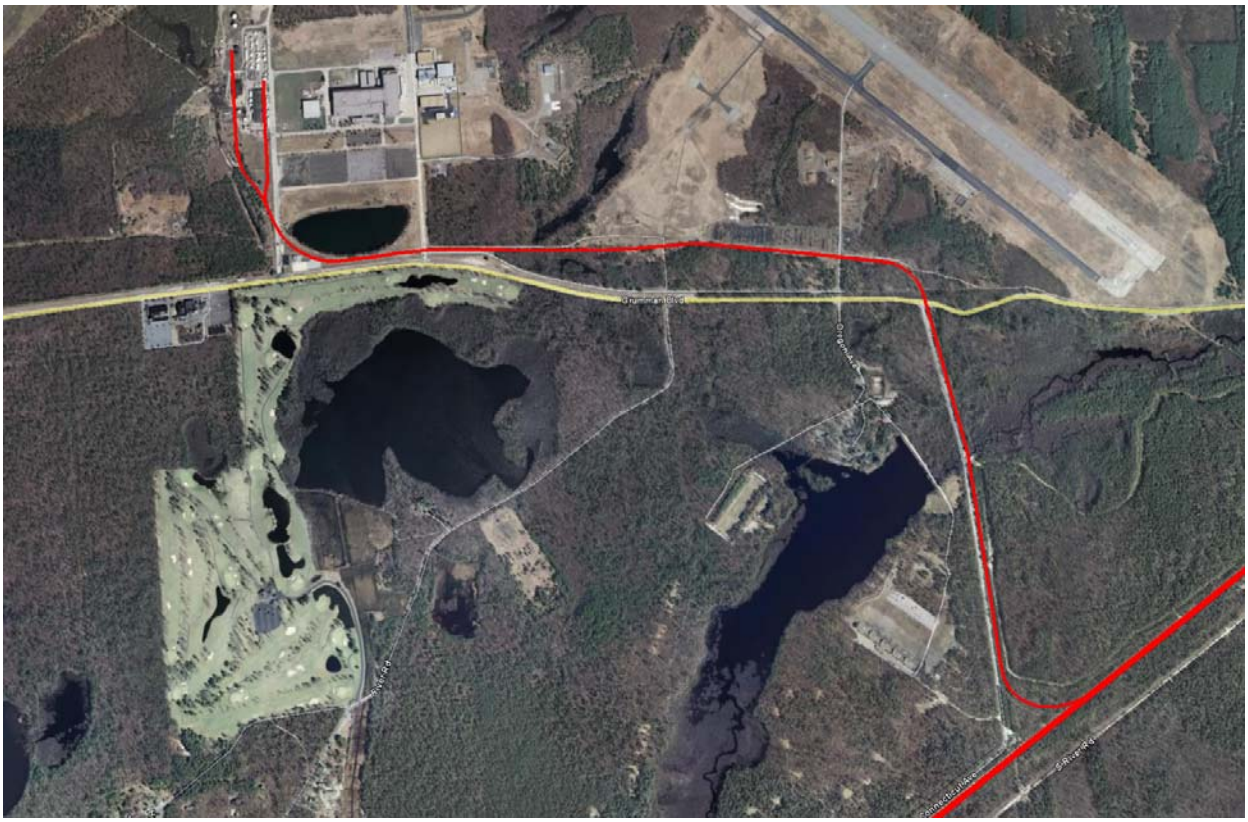
According to the NYMTC website (http://www.nymtc.org/project/freight_planning/freight_village.html):

> From an economic development perspective, urban freight villages may offer an opportunity to transform derelict industrial sites or brownfields, typically having rail access, into high value-added employment and commercial centers.
>
> * * *
>
> Goal 2 of the NYMTC Regional Freight Plan states; “Improve the Physical Infrastructure of the Transportation System for Freight-Related Transport Between Shipping and Receiving Points.” NYMTC expects freight volume to increase by 47 percent over the next twenty years. Large truck traffic is expected to increase by 51 percent according to NYMTC’s Regional Freight Plan. As the freight volume increases and as the amount of the freight moved by truck increases, there will be a growing demand for developments similar to the freight village model. The Regional Freight Plan addresses the matter of developing urban freight villages and discusses the functions of a freight village in relation to rail-oriented distribution as opposed to truck-oriented distribution.
>
> An essential goal to implementing a freight village is to develop a facility that provides or builds upon existing community aesthetics. The freight village is intended to provide a net benefit to the surrounding area by bringing in responsible economic development.

> Freight villages intend to seamlessly provide the same amenities that one would expect in most communities and to do this with added features such as enhanced landscaping. These amenities include banks, restaurants, and various general retail options in addition to the multimodal access and industrial activities.

The Calverton Enterprise Park was a planned development of a 2900 acre plot formerly part of the Naval Weapons Industrial Reserve Plant of Calverton (NWIRP). The Navy and Town of Riverhead began a redevelopment plan for the property in 1994. The Calverton Enterprise Park Reuse Plan responds to local and regional economic conditions and promotes economic recovery from the closure of the NWIRP Calverton. In the development of this plan, the Town of Riverhead Planning Commission, with significant public involvement and comment, established the following goals for the reuse of the NWIRP site: maximize job creation; increase tax bases; and enhance regional quality of life. Furthermore, the Town Board adopted the Town of Riverhead Comprehensive Plan (2003) which contemplated rehabilitation of the rail spur.

The development and continued support for a freight village at the Calverton Enterprise Park meets regional and local objectives for economic development and transportation planning. The Calverton Rail Access Rehabilitation continues to gain momentum and support from public and private sectors.



Rail Spur off of LIRR Mainline into Calverton Enterprise Industrial Park

2. PREVIOUSLY EXISTING CONDITIONS

Calverton Enterprise Park Background. The Calverton Enterprise Park is a planned redevelopment of a 2,900-acre property formerly known as the Naval Weapons Industrial Reserve Plant at Calverton, assembled by the Navy in the 1950s and leased to the Grumman Corporation for final assembly and flight-testing of military aircraft. In 1996, defense downsizing resulted in closure of the Grumman facility. In September 1998, the U.S. Government transferred the site to the Town of Riverhead Community Development Agency on the condition it be used for economic development to replace thousands of well-paid jobs and tax base lost by the Grumman closure.

Planning and redevelopment efforts by the U.S. Navy and the Town of Riverhead for the Enterprise Park began in 1994. The non-partisan support of local officials, county and state government, interest groups, and community residents serving as advisors to the town, resulted in the achievement of complete consensus on the development of a Comprehensive Reuse Strategy. A comprehensive Final Environmental Impact Statement (FEIS) for the 2,900 acre transfer was completed in 1998 and a Supplemental FEIS completed in 2001. Each new site development will complete a comprehensive site specific supplemental FEIS pursuant to the State Environmental Quality Review Act prior to development. Environmental preservation protections for the site include a 65% clearing limitation within the 2900-acre Enterprise Park as well as permanent preservation of an additional 3,000 adjacent acres transferred simultaneously in 1998 to the State of New York for environmental preservation.

The objective of the planned redevelopment of the Calverton Enterprise Park is to create a viable mixed-use sustainable development sensitive to the surrounding environments to generate jobs and tax base while enhancing the community's quality of life. The goals of the redevelopment as established and supported by several Town Boards, are job creation, generation of tax revenues (sales tax, income tax and property tax), stabilization of local taxes by investment of sales revenues, and preservation of the quality of life for residents of the community.

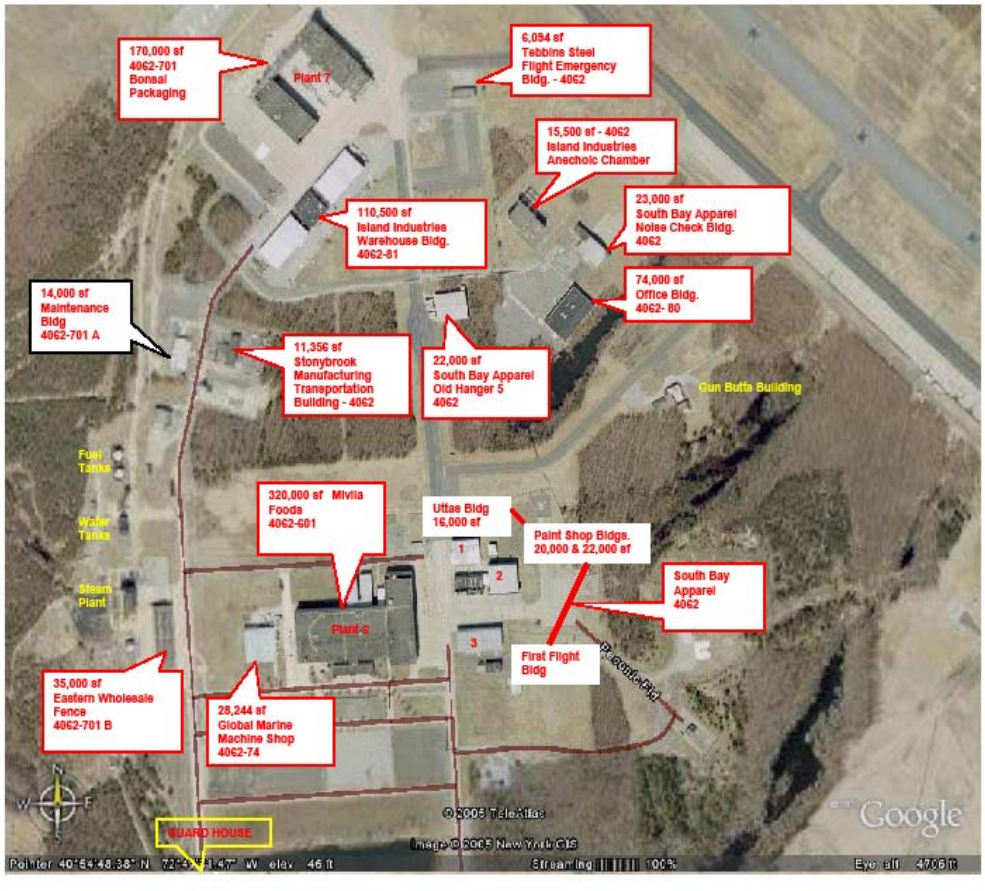
Long Island Location Map

The Town of Riverhead, with a population of approximately 33,000, located on the east end of Long Island in Suffolk County, was founded in 1792. Riverhead lies between the Towns of Brookhaven and Southold and comprises approximately 78 square miles. Located 70 miles from New York City, Riverhead is bounded by the Peconic River and the Great Peconic Bay on the south, and the Long Island Sound on the north. Calverton is a hamlet within the Town of Riverhead.

Existing Site Access. The property is located between Grumman Boulevard/Swan Road and New York State Route 25 with access off Exit 69 of Long Island Expressway (I-495). The property is also in close proximity to Long Island's North Fork and South Fork ("Hamptons") communities. The site is within sixty miles of JFK International Airport, LaGuardia Airport, and Islip/MacArthur Airport and transportation is available to the market area by rail as well. An active 10,000-foot runway and a rail spur redevelopment within the Calverton Enterprise Park are available to serve the operating industrial core site of approximately 492 acres and the pending developments at two additional sites (a 300 acre industrial park and a 755 acre commercial-recreational project).

In 2001 the Town of Riverhead CDA sold approximately 492 acres of the Planned Industrial Park zoned core for $17 million to Calverton Camelot LLC. Currently, approximately 1,000,000 s.f. of industrial and office space exists with subdivision plans for the development of an additional 2 million s.f. in 37 separate parcels. The employee count for the year 2006 was approximately 700.

CALVERTON ENTERPRISE PARK



Calverton Enterprise Park Rail Rehabilitation – Conditions of Previously Existing Rail

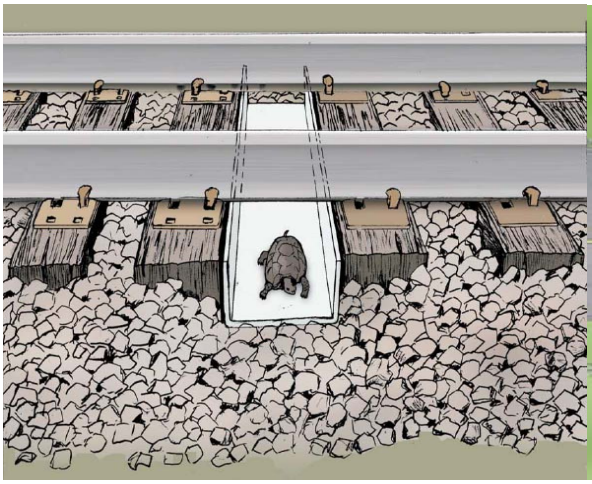
Four Henningson, Durham & Richardson, Architecture and Engineering (HDR) staff, including two railroad engineers, a certified wildlife biologist, and an environmental scientist inspected the project site for the proposed Calverton Rail Rehabilitation in the Town of Riverhead, New York between April 21 and May 13, 2009. The purpose of the field inspection was to determine the physical condition of the existing rail infrastructure and to identify appropriate crossing locations for the tiger salamander and other sensitive reptile species that may use the surrounding habitats.

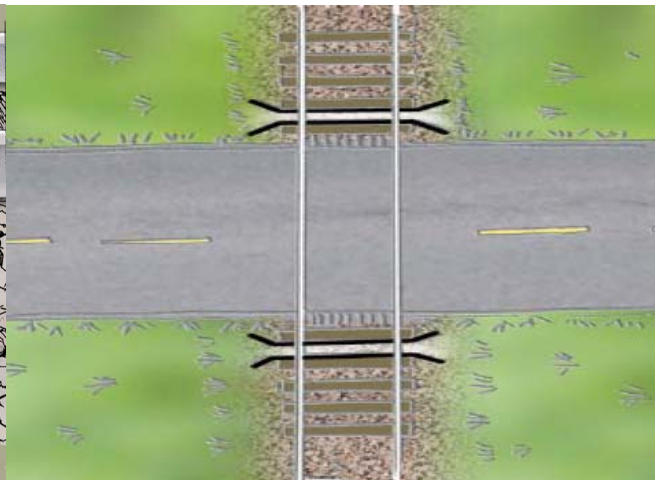
Overall, the track condition was extremely poor due to the lack of maintenance and use over the past 25 years. Sections of the rail had been removed, and much of the remaining rail infrastructure suffered from neglect. The ties were in poor condition, and it was anticipated that at least 75% needed to be replaced. The ballast condition was worse than originally anticipated. Ballast is either fouled beyond reuse or does not exist. None of the crossings had warning devices or signage.

Throughout the inactive track, there were several features that would need to be removed. In several areas, fences crossed the track, and vegetation within the rail structure had not been maintained. Woody vegetation grew between the rails, including trees as large as 12” in diameter at breast height. Several of the roadway crossings were covered by asphalt or dirt. Overall, the culverts appeared to be in good condition, although one of the culverts was partially blocked.

The proposed rehabilitation of the rail provided the opportunity to minimize adverse impacts to the surrounding habitat and wildlife. A tiger salamander crossing will be established during the rehabilitation of the track, as is indicated in the New York State Department of Environmental Conservation (NYSDEC) Wetland Permit Conditions. However, replacing the existing culvert with a box culvert may not be the most appropriate choice ecologically or economically. The existing culvert is in good condition, and would require minor modifications to create a safe crossing for the tiger salamander. Replacing this culvert would not increase the likelihood for the salamanders to cross safely, when compared to modifying the existing structure. Salamanders can also move up the rail bed and cross the tracks. It would be prudent to modify the track design to allow sufficient space between the ballast and the ties at select locations to allow safe passage by the tiger salamander. Replacing the culvert would also require earth moving, may result in temporary impacts to the wetlands on the project site, and would result in additional construction costs.

The rehabilitation of the rail line also provides the opportunity to create crossings for other sensitive amphibian and reptile species. Minor modifications to the rail bed, including the installation of railroad tie channel inserts provide a low cost option that would provide ecological benefits.





After analyzing existing conditions, HDR engineers as part of the NYSERDA funded project produced design documents for in-kind rehabilitation construction of the Calverton Rail. Subsequently, the Town of Riverhead secured additional funding for construction and the project is 75% complete as of mid-October 2010.

Calverton Rail Access Rehabilitation Key Dates

May 2008	DEC Permit
Summer 2008	RFP for design firm
Fall 2008	Select HDR
December 2008	NYSERDA/NYSDOT Award $75K
February 17, 2009	American Reinvestment and Recovery Act passed
May 2009	Congressman Bishop holds press conference to support project
Summer 2009	Design 90% Completed
September 2009	S/TIP Amendment
October 2010	Empire State Development Corporation Awards $650K (Downstate Revitalization) - Complete Design
November 2010	Governor Certifies $4.8 Million ARRA funds
December 2010	Bid construction
February 2010	Award contract to Railroad Construction Company, Inc. Paterson NJ (lowest of 7 bidders at $3,496,684)
April 22, 2010	Calverton Rail project awarded the GreenLITES Gold certification distinction, only two local projects in New York State including the Calverton Rail project have obtained the Gold level of transportation and environmental sustainability!
Spring 2010	Construction underway
Completion by 2011	

Calverton Rail Spur Groundbreaking, May 7, 2010: Senator Chuck Schumer, Congressman Bishop and other elected officials and business leaders break ground for a new freight rail spur to Enterprise Park in Calverton.

3. ANALYSIS OF PRESENT ENERGY USE

According to a January 31, 2010 Newsday article (***Experts: Growth of Truck Traffic Adds Stress to LIE***), the busy roadways of Long Island have approximately 20,000 trucks a day delivering more than 90% of goods (one truck for every nine vehicles). Accidents involving trucks have nearly doubled going from 5.9% to 10.8% between 2002 and 2008. While the national average of goods delivered by freight rail is approximately 15%, Long Island is tremendously underserved by freight rail with approximately only 1% of goods shipped by rail according to the State Department of Transportation.

Since 1996, New York and Atlantic Railway (NY&A) has managed freight rail service on Long Island and grown the use of freight rail between 1996 and 2007 from 7,000 to 21,000 + carloads. Freight deliveries arrive overnight between 12:00AM and 5:00AM to minimize conflicts with passenger rail service.

Each rail car equates to approximately 3-5 truckloads depending on type of freight.

Many businesses already operating in the Industrial Park are interested in using the freight rail to both receive and transport their goods out. Tebbins Steel is interested in receiving their plates and steel beams via freight rail rather than by truck. Mivila Foods is looking to reduce transportation costs by receiving products via rail rather than by truck. Mivila deliveries could potentially account for 3 railcars per day. Metro Energy is interested in receiving their raw

materials in and transporting their biodiesel out via rail. They estimate to manufacture 20 million gallons of biodiesel per year.

It is anticipated upon completion of the rail rehabilitation in early 2011 that approximately 200 rail cars would be shipped from Calverton Enterprise Park per year to start removing approximately 800 trucks from New York Metropolitan roads initially (Metro Bio Fuels will run 4 rail cars per day through the winter heating season and Eastern Wholesale Fence will run at least 2 rail cars per week). As rail service at the park evolves the number of rail car shipments would increase, thereby removing additional trucks from area roads (Mivila would run 1 rail car per day while Riverhead Building Supply (construction and lumber) and other industrial users anticipate tying into the rail as well).

Additionally, the accessibility of rail will make the Calverton Enterprise Park more attractive to businesses and encourage job and tax base growth.

There is a great deal of interest in also providing passenger rail service in the future which will help to eliminate more vehicles from our congested roadways and cut down on pollution. The Long Island Rail Road (LIRR), the nation's largest commuter railroad, offers excellent service with regular train service to New York City as well as to Queens, Brooklyn and other destination throughout Long Island. The LIRR transports approximately 80.3 million passengers annually and 276,000 daily in and out of New York City with 735 trains daily stopping at 124 stations. Potentially passenger rail options may be explored at the site.

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