

BUSINESS**Bidding for Dowling's Brookhaven campus tops out at \$10.2M**

Three bidding groups seek to buy the property, but a board deliberating the parcel's future has several other options.



The Dowling College School of Aviation and athletic fields off William Floyd Parkway in Shirley. Photo Credit: CAHN Communications / Best Aerial Photos / Vincent Vuoto

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Updated January 31, 2018 9:09 PM

The bankruptcy auction for Dowling College's 105-acre Brookhaven campus in Shirley adjourned without a winner Wednesday, after hours of creditor deliberation.

Bidding took only a few minutes Wednesday morning, with a high bid of \$10.2 million, though creditors for the defunct school did not come to a decision, said Sean Southard, an attorney representing Dowling in its Chapter 11 bankruptcy proceedings.

Three bidding groups, labeled groups A through C, met at the law offices of Certilman Balin Adler & Hyman in East Meadow for the auction of the Shirley campus. The starting bid, determined by initial sealed offers made before Wednesday, was \$10 million.

The bidders' identities will remain sealed until a winner is selected by a board that includes representatives of Dowling's creditors.

Board trustees and creditors retain other options besides selecting a winning bidder, including accepting none of the bids, seeking to rezone the property, or remarketing it, said Emilio Amendola, co-president of Melville-based A&G Realty Partners, the firm marketing the site.

"Sometimes just the highest monetary bid doesn't make it the best bid," he said. Considerations such as a bidder's "likelihood of consummating the transaction" are taken into account.

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The discussions about the bids are ongoing and "complicated," he said. "What makes a bankruptcy auction interesting is that no two are alike."

The property includes a 70-room dormitory, an athletic complex, a two-building office and classroom complex, and a 7,500-

square-foot airplane hangar.

The liberal arts college ran out of funds, lost its accreditation and closed in 2016. Dowling said it had \$54 million in long-term debt and filed for Chapter 11 bankruptcy protection in November 2016.

Dowling's estate faced 626 claims totaling \$65.8 million filed in bankruptcy court in Central Islip by creditors, vendors, college officials, faculty and staff.

The college's 25-acre Oakdale campus, which includes a mansion that belonged to the Vanderbilt family, was put up for auction in April. In August, NCF Capital Ltd., a Hong Kong company, purchased that property for \$26.1 million after the top bidder in the auction, Princeton Education Center LLC, failed to close on its \$26.5 million offer.

The Oakdale campus is now owned by Mercury International LLC of Delaware, a company affiliated with NCF Capital, according to court documents.

The Shirley campus benefits from its proximity to Brookhaven Calabro Airport, but it is "in a residential market that's not as strong as the Oakdale market," said David Pennetta, executive director of brokerage Cushman & Wakefield's Melville office. Moreover, properties on eastern Long Island tend to command lower purchase prices, he said.

"Generally, as you go further east, until you start getting to the Hamptons, there's a drop in price no matter what sector of real estate you're in," he said.

The property lends itself to redevelopment into a potential multifamily or senior housing development, Pennetta said.



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