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Pall HQ to Lowe's in $40M deal

Filtration firm moving base to Port Washington

By DAWN WOTAPKA HARDESTY

Filtration giant Pall Corp. has sold its 320,000-square-foot East Hills headquarters to the Lowe's home improvement chain for around $40 million.

Pall, which will move its home base to the company's nearby Port Washington operation, said the shift from East Hills will take between two and three years. The company currently employs about 300 people in each location.

"It's going to be a slow transition," said Pall spokeswoman Marcia Katz.

During the move, Lowe's will be Pall's landlord at the 18-acre East Hills campus, Katz said.

Lowe's confirmed the purchase but didn't comment further.

The 130 employees at Pall's Hauppauge facility will not be affected, but some of East Hills' remaining manufacturing gigs will eventually be transferred to other Pall facilities. Katz couldn't say when or give a specific tally.

Guerra and Nemshin

"We're talking really a small number," she said. "That hasn't all been worked out exactly. This is still the beginning of making those plans."

The Paragon Group's Jerry Guerra and Jeff Nemshin, involved in the deal, declined comment, citing a confidentiality agreement.

East Hills Mayor Michael Koblenz said the site would have to be rezoned for a retail user. He has met with Lowe's twice, though plans haven't been submitted. There is "a lot of work to do," including possibly creating a new street and meeting with the village's nine civic groups and planning board, Koblenz said.

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"It's a long process," he added. "It's not just happening tomorrow."

Lowe's must not be too worried – the deal is "completely final" and doesn't hinge on this pitch getting approved, Katz said.

North Carolina-based Lowe's, the country's second largest handyman chain, is looking to compete with industry giant Home Depot, which has blanketed Long Island with its trademark orange stores. So far, Lowe's is behind. It has stores in Bay Shore, Farmingdale, Garden City and Medford. It announced a Stony Brook location in November and is trying to build several more, including stores in Huntington, Riverhead and Bayport.

As with the Pall site, Lowe's isn't afraid to raze existing structures to build sprawling stores selling everything from nails to plywood. The Bay Shore shop replaced a department store and the Huntington deal, which hasn't yet closed, would replace a popular but dated catering hall.

Last year, Pall put two half-empty Nassau buildings on the market with the intent of keeping the least valuable one. The company, founded six decades ago in a cluttered garage, previously divided into life science and industrial units, reducing the need for a large Island leadership. All local manufacturing is done in Hauppauge, Katz said.

Pall employs about 10,000 worldwide.

The site Pall is keeping is 239,000 square feet on 16 acres in Port Washington, space it has owned for more than a decade.

When the buildings were available, brokers agreed the East Hills location would be more valuable for retail and residential users, partially because it's just a few minutes away from Americana Manhasset, which houses some of the world's most exclusive retailers. Newsday reported Lowe's interest in the building in November.

The deal is part of a broader consolidation for the company that last year reported sales of $2 billion for the first time and net earnings of $145.5 million, almost double 2002's $73.2 million.

Pall, Long Island's 10th largest public company, plans to shrink its worldwide manufacturing footprint by 20 percent by the end of next year, forcing it to close about a third of its total sites, according to its 2006 annual report. From 2005 until 2008, its manufacturing footprint should fall from 6 million square feet to 4.8 million square feet, with a majority of the reduction happening in Europe.

"There's a lot of integration of things going on," Katz said. "We're going to maintain our home on Long Island."