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This N.J. county is attracting international corporations

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Corporate campuses that have stood dormant for years are finding new tenants in Somerset County.

Once deemed obsolete as corporate America's needs changed, these large complexes are reemerging as developers pour millions into recasting them to meet today's needs, said Mike Kerwin, president and chief executive officer of the Somerset County Business Partnership.

In the past year alone three major corporations have announced plans to relocate to Somerset County.

"We're very, very excited," Kerwin said. "We've been working very hard with the Freeholders to make Somerset County attractive to companies.

"I think three things are driving it. First, the willingness of property owners to invest in these older buildings and the market place. Secondly, we have a world-class work force. We're hearing that the skills these companies need are available in our work force. The third thing is our proximity to Newark Airport."

In October, Swiss-based Nestle Health Science announced it was moving into the former Sanofi U.S. Research and Development Campus in Bridgewater, which has been renamed the New Jersey Center of Excellence. Nestle Health Science anchors the 110-acre site that is getting a \$250-million makeover that will transform the site into a state-of-the-art "live-work-and-play" expanse including corporate offices, shopping and housing.



Bridgewater project moving forward
Township zoning board approved redevelopment plans for 62 of 110 acres.

The Nestle Health Science project alone costs \$100 million, said Peter J. Coccoziello, Advance Realty's founder and chief executive officer, which purchased the Sanofi property in April 2013 for an undisclosed price. New construction is scheduled to begin in 2017, he said. The center is more than 70 percent occupied, he added.

In February, Linde Americas, one of the world's largest gases and engineering companies, announced it was also coming to Bridgewater, moving into a new state-of-the-art facility in the Somerset Corporate Center. The move is scheduled to begin this summer.

In April, Daiichi Sankyo, the second-largest pharmaceutical company in Japan, announced it was consolidating its offices in Edison and Parsippany and moving its U.S. headquarters to the former Avaya headquarters on Mt. Airy Road in Bernards.

The 51-acre property is in the midst of a multi-million redevelopment plan. Employees are scheduled to begin transitioning to the new building in 2017.

"These corporate facilities are strategically well-located and have the basic infrastructure of utilities and mechanical systems," said Coccoziello. "They're just older buildings. A lot of those buildings make good investments to repurpose and bring them back to the workforce of the current economy."



Bridgewater, which has long been a pharmaceutical hub, has become a preferred destination for many corporations because of its educated work force, high quality of life and proximity to Newark Airport, according to data from the Greater Raritan Workforce Development Board.

In the first quarter of 2016, Somerset County east of Interstate 78, which includes the new Center of Excellence, has an office vacancy rate of 8.7 percent, second only to Short Hills/Milburn in northern and Central Jersey, according to Transwestern New Jersey, a national commercial real estate service. The average vacancy rate in the region is 15.3 percent.

Furthermore, 23.6 percent of the residents east of Interstate 78 have a graduate or professional degree, compared to 14.2 in the region. Also, 20.2 percent of the households have a combined income of \$200,000, compared to an average of 9.9 percent in northern and Central Jersey, according to Transwestern New Jersey.

At the Center of Excellence, the plan is to renovate the old Sanofi research center, which was built in the 1960s. The site has 1.2 million square feet of space and a center utility power plant with 4.5 megawatts of power.

There are eight other older buildings that will be torn down and converted into a mixed-use area that covers 62 acres and will include 400 luxury apartments and 275,000-square-feet of commercial space, including a hotel, grocery store, indoor and outdoor recreation and shops.

"We're basically building a town center," said Cocziello. "We're located in a very unique location which has allowed us to take a project like this and build it.

"Somerset County has been in the forefront of establishing a county that has the type of natural infrastructure that people would want to live in with parks, walkways, public golf courses, restaurants and the Bridgewater Mall. People can work very comfortably and still commute in the suburbs."

Affiliates of Rubenstein Partners and Onyx Equities acquired the former Avaya headquarters on Mt. Airy Road in 2013 for \$12.2 million. Built in the early 1980s, it has undergone a massive modernization and is now reportedly valued at \$22 million.

The property includes all of the amenities of the new workplace, including the latest technology, open space, cafeterias, meeting rooms, a fitness center and a contemporary glass exterior that brightens the interior of buildings.



The new home of Linde Americas in the Somerset Corporate Center, which was built in the late 1990s, will not undergo as extensive a renovation of the previous two properties.

The center has all of the modern corporate amenities, including a brand-new conference center. The 15-acre property houses five buildings. Each has a cafeteria and fitness center. The property is located near the Bridgewater Mall and provides shuttle service to the NJ Transit train station.

Over the past decade, the campus-style complex model slowly became outdated as technological advances, downsizing and outsourcing negated the need for workers to be in an office setting.

"There was a big question mark as to the future of these sites," said Kerwin. "We were very concerned. Just think about what we would be looking at if these companies didn't decide to invest? It would be a very dire situation.

"But we're close enough to the urban areas to make it work. We have tremendous amenities and a great quality of life. When you add the final piece, which is the work force, we have a nice package here in Somerset County."