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Nestle to open new health science R&D facility in Bridgewater

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Peter Coccoziello at the New Jersey Center for Excellence. - (AARON HOUSTON)

It was nearly three years ago that Anders Kaspersson was tasked with establishing a new research and development hub for Nestlé Health Science, a subsidiary of the Swiss food and beverage giant.

That meant he could look just about anywhere.

“We started to do the work with the whole world as the search ground,” said Kaspersson, a vice president for Nestlé Health Science. “And after a lot of decisions ... we decided almost exactly a year ago that this bioscience corridor in the East Coast of the U.S. would probably be a very good place to go, from the fact that we believe that both the commercial and the technical competence is here.”



It was from that point that he and his team narrowed their search to Bridgewater, giving way to the high-profile deal announced today between Nestlé Health Science and Advance Realty. By early 2017, Nestlé will open a 180,000-square-foot R&D facility at the developer’s Center of Excellence campus on Route 202/206, becoming the latest tenant at the 110-acre site once occupied by Sanofi U.S.

For Advance, it’s a major step toward reinventing one of the state’s many corporate campuses that were left behind by consolidation in the pharmaceutical sector, where it hopes to create a new mixed-use environment that will reawaken the site. For New Jersey, it’s a vote of confidence from an international company that still sees the state’s value as a destination for life science companies.

“There’s a lot of positive things here, and the thing that makes me feel good — and hopefully others in the state feel that way — is that you have to raise your head and say there are opportunities here,” said Peter Coccoziello, CEO and president of Advance Realty. “And hopefully when other companies look at New Jersey and they say, ‘Well, Nestlé is there,’ it just reinforces our state as a geographic location.”

Nestlé Health Science, a roughly 5-year-old business that develops nutrition-based therapies, will now begin the process of renovating a building at the rear of the campus. Kaspersson said that, ultimately, the facility will include laboratories, a pilot manufacturing plant and offices for the company’s commercialization and front-office staff, following a capital investment of at least \$60 million.

The completed space would house about 60 people currently based in Florham Park, Nestlé Health Science’s current headquarters, according to the state Economic Development Authority, and more than 100 positions that will be new to New Jersey. All that helped the company qualify for a 10-year, \$14.4 million tax credit that was awarded in July.

“Why did we end up here? The building that we are in, even if we need to do some refurbishment, is quite the perfect fit for the needs that we have,” said Kaspersson, the company’s program manager for research and development. He added: “The New Jersey Center of Excellence is already a living campus.”

The deal brings the Center of Excellence to about 75 percent leased, Coccoziello said, with Nestlé joining Amneal Pharmaceuticals and Ashland Specialty Ingredients. And it comes more than two years after Advance and CrossHarbor Capital Partners, a Boston investment firm, acquired the 1.2 million-square-foot campus from Sanofi after the French pharmaceutical giant shuttered it.

Advance is now in discussions with another anchor tenant, but it is also focused on future phases that include retail, a hotel and a “substantial” residential component, Coccoziello said.

“This deal here moves our vision further,” he said. This brings in a significant international company. They are very supportive and excited about where we’re moving this site ... and the ability to have a hotel and have apartments on the site just fit in really well into their M.O. as to how they see operating their business.”

Bridgewater Mayor Daniel Hayes said Advance’s master plan for the property, which outlines the additional uses, is now being reviewed by a planning board subcommittee. That’s not to say a consensus is guaranteed when it returns to the full body in the coming months — projects that involve a residential component are not always an easy sell to local residents and governing bodies.

But Hayes said the Nestlé deal will help strengthen the case for a mixed-use campus and that “(this type of housing) is basically ... to meet the requirements of businesses — it’s a particular niche for residential that I think the overall residents can appreciate.” He added that Bridgewater has “listened to what large corporations have said they’re interested in” and that Advance’s vision was validated by meeting with Kaspersson during the site selection process.

“When he stated why he chose Bridgewater and why specifically he was interested in that site, he picked all of the things that we recognized as needing to be there to attract companies,” Hayes said. “So it is great to know that what you set out to do is in line with the target market that you try to get.

“And that’s not going to be lost on the residents and that won’t be lost on the township council, either.”



Advance Realty and CrossHarbor Capital Partners were represented by Daniel Loughlin, international director and head of New Jersey brokerage for JLL, along with JLL senior vice presidents Craig Eisenhardt and Robert Ryan and Scott Stange, a vice president with the brokerage firm.

“New Jersey continues to enjoy burgeoning demand for high-end research and development space among midsize and emerging life sciences companies and biotechnology firms companies,” Loughlin said in a prepared statement. “The New Jersey Center of Excellence offers move-in-ready research and innovation space that is ideally located in a region with a highly skilled workforce.”