



August 2, 2011

Former Merrill Lynch building to become new home of Novo Nordisk

By [Joshua Rosenau/Times of Trenton](#)

[PLAINSBORO](#) — Danish pharmaceutical company Novo Nordisk announced yesterday a \$215 million plan to strip, renovate and occupy a 770,000 square-foot Scudders Mill Road office building that was a former home of Merrill Lynch.

The plan to house 1,500 Novo Nordisk employees there by spring of 2013 is welcome news for those involved with the property and its aging institutional buildings. The plush office building, which is adjacent to a Wyndham hotel and conference center and a six-acre lake, would become the new U.S. headquarters of Novo Nordisk, a specialist in diabetes care.

"It's a fantastic transaction for all parties involved, mostly for Novo Nordisk. They are getting a phenomenal building, with a great chasis of a building that was built 25 years ago and could not be replicated in today's dollars," said Kurt M. Eichler, executive vice president of LCOR, a partner in the deal.

Merrill built the mammoth administrative office building at 800 Scudders Mill Road in 1985, after purchasing the land from Princeton University. Combined with the hotel portion, the buildings measure a million square feet of space there, Forrestal Center marketing director David Knights said.

The company had been reducing the number of workers at the site in years leading up to the recession, and left the site for good in 2008.

Another Wall Street investment firm, BlackRock, moved in behind Merrill, but it too announced plans to exit the site in 2010.

"The building essentially became totally vacant when BlackRock left and secured 150,000 square feet in West Windsor. So this is great news for us," Plainsboro Mayor Peter Cantu said.

LCOR, a real estate development company, is working with the site's owner, Ivy Equities, to gut the building, strip it down to its frame and construct a newer, greener building in its place. Novo Nordisk has signed a 15-year lease with Ivy Equities.

"We're going to be removing the exterior concrete panels and demolishing the interior of the building so that what you'll see in the next six months will be a steel skeleton," Ivy Equities co-CEO Anthony P. DiTommaso Jr. said.

Part of the financing of the deal comes from investments by several unions, including the Northeast Council of Carpenters, the New Jersey Laborers, and the New Jersey Operating Engineers.

The unions pooled a combined \$100 million into an investment fund managed by Intercontinental Real Estate Corp., which contributed funding to the project.

"The New Jersey Carpenters put out a request for information about nine months ago to look for a real estate firm like ours to manage a mandate for them to put their pension dollars to work, first in superior

real estate deals, and second, they had a twin interest in job creation," Intercontinental CEO Peter Palandjian said.

The Intercontinental Build Reinvestment Fund or IBREIF, which has attracted funds from several New Jersey unions, expects that its investment at the site will not only create significant returns for the pension fund, but will also create roughly 500 construction jobs, Palandjian said.

One of the difficult jobs they'll be handling will be removing the building's concrete panels without disturbing the 100 acres of woodland that surround the former Merrill campus, DiTommaso said. "It will probably be the most delicate part of the renovation process," said.

Once the demolition phase is complete, construction of the new building according to LEED environmental standards will begin.

"Our redevelopment plans call for attaining LEED certification for the base building and interior renovations from the U.S. Green Building Council," Novo Nordisk spokesman Ken Inchausti said. Novo Nordisk's plans for the larger building come in response to the company's steady growth in the Plainsboro-Princeton area, where it already has offices at four other buildings in the Forrestal Center.

"Since 2007 the (U.S.) headcount has grown from about 2,000 to about 4,500 employees, and just in the Princeton area, it's grown to a little over 1,000 employees right now," said Jeff Frazier, Novo Nordisk's corporate vice president of human resources.

The company's Princeton staff, which works primarily in corporate management and clinical development, is expected to grow to 1,300 workers by the time the company moves into the new building in 2013, Frazier said.

Novo Nordisk is planning to maintain its presence at a large office complex at 1100 Campus Road, one of the four buildings it occupies in the Forrestal Center, Inchausti said.

The pharmaceutical company is vacating three other leased buildings at 100, 150 and 500 College Road, he said.