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Drug firm plans \$215M move to Plainsboro

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PLAINSBORO — Danish pharmaceutical company Novo Nordisk announced yesterday a \$215 million plan to strip, renovate and occupy a 770,000 square-foot Scuders Mill Road office building that was once home to Merrill Lynch.

The plan to house 1,500 Novo Nordisk employees there by spring of 2013 comes as welcome news for those involved with the property and its aging institutional buildings.

The plush office building, 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 in 1985, after purchasing the land from Princeton University. Combined with the hotel, the buildings measure a million square feet, Forrestal Center marketing director David Knights said.

Merrill left the site for good in 2008.

Another Wall Street investment firm, BlackRock, moved in after 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 and construct a newer, greener structure in its place. Novo Nordisk has signed a 15-year lease.

"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 financing 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 site investment will not only create significant returns for the pension fund, but will also create roughly 500 construction jobs in the area, 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, according to DiTommaso.

"It will probably be the most delicate part of the renovation process," he added.