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Drug Maker Goes Down the Road

By Wesley Lowery

Danish insulin producer Novo Nordisk S/A will move its North American headquarters and about 1,200 jobs to a two-building complex in Plainsboro, N.J., relocating from its current location about three miles away in Princeton.

Novo Nordisk will take the space in the Princeton Forrestal Center, a complex in Plainsboro that at one point was occupied by a division of Merrill Lynch & Co., the securities firm that was acquired by Bank of America during the financial crisis.

Novo Nordisk initially will rent about 500,000 square feet, which includes enough expansion space for an additional 300 employees. The company also has rights to the rest of the property which includes a total of 770,000 square feet.

"The other 30% of the property we can bring out of moth balls when we need that space in 2020 or 2025," says Jeff Frazier, the company's vice president for human resources.

The pharmaceutical industry has long been one of the drivers of New Jersey's economy, accounting for 55,366 jobs and more than \$811.9 million in state tax revenue in 2009, according to the most recent data available from the HealthCare Institute of New Jersey. More recently, though, many companies have shed jobs as the industry has gone through a wave of mergers and consolidations.

"As goes the pharmaceutical industry so goes the state of New Jersey," says Bill Dressel, executive director of the New Jersey State League of Municipalities.

Novo Nordisk, which employs 30,000 world-wide, plans to expand its workforce 10% by 2016. The company specializes in the care of diabetes and last year about 32.3 million Americans had the disease, according to the World Health Organization. That figure is expected to increase to 53.1 million by 2025.

"We've been running counter to the rest of the pharmaceutical market," Mr. Frazier says. "While the rest of the market has been consolidating, we've been expanding."

Novo Nordisk's new home is owned by a group including Ivy Equities, LCOR Inc. and Intercontinental Real Estate Corp. The group is planning a \$215 million renovation before Novo Nordisk moves beginning in June 2013.

"We're literally stripping the building right down to the steel skeleton," said Kurt Eichler, LCOR's executive vice president, in an interview.

The move of Novo Nordisk was made possible, in part, by a \$3.8 million grant the company is getting from the state of New Jersey.

The landlord and the company estimate the renovation will create about 500 temporary construction jobs beginning in September.



A rendering of Novo Nordisk's new North American headquarters.

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The Star-Ledger

August 2, 2011

Drug firm plans \$215M move to Plainsboro

By Joshua Rosenau
STAFF WRITER

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.



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 chassis 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.

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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.



August 2, 2011

Novo Nordisk and Partnership of Ivy Equities, LCOR, and Intercontinental RE Corp Announce Agreement for New Headquarters

By Betsy Kraat

PLAINSBORO--Diabetes company Novo Nordisk, Inc., and a joint venture led by Ivy Equities and LCOR in partnership with Intercontinental Real Estate Corporation, announced a \$215 million redevelopment project to completely renovate and upgrade a 770,000-sf office building in the Princeton Forrestal Center in Plainsboro, that will serve as the new U.S. headquarters for the Danish pharmaceutical company.

"This project, for one of the world's premier life sciences companies, clearly demonstrates that the fiscal and regulatory reforms we have implemented in New Jersey are fostering an environment conducive to growth, business expansion and job creation. I applaud Novo Nordisk for their continued commitment to the Garden State."

The company has signed a long-term lease for the entire building, with the initial phase of occupancy being approximately 500,000 sf and the option to take the balance of the space within the building at any time. The deal represents New Jersey's largest commercial real estate transaction this year. Construction on the redevelopment, which will create more than 500 union construction jobs, is scheduled to begin in September. The building is located at 800 Scudders Mill Road and will be able to accommodate approximately 1,500 employees.

Novo Nordisk will be relocating from its existing headquarters at 100 College Road West in Princeton, and plans to occupy its new space in spring 2013 upon completion of the full-scale rehabilitation. Novo Nordisk's initial lease at the new building will expand its presence in the Princeton-area market by approximately 150,000 square feet.

"This move reflects Novo Nordisk's growth in the U.S., and our efforts in delivering leading therapies to diabetes patients and their healthcare providers," said Jerzy Gruhn, President, Novo Nordisk, Inc. "This smart renovation keeps us in New Jersey, reduces the impact on our employees as well as the environment, and allows us to meet the expanding need for our medicines."

Anthony P. DiTommaso, Jr., Co-Chief Executive Officer of Ivy Equities, stated, "We have assembled a world-class development team with nationally recognized LCOR and Intercontinental Real Estate Corporation to deliver a best-in-class headquarters location for Novo Nordisk that will effectively support the company's business objectives and provide its employees with a sustainable, technologically advanced work environment."

LCOR and Ivy Equities will execute a top-to-bottom, gut rehabilitation of the property that will strip the vintage 1985 building to its skeletal frame. The plans include replacement of the building's façade, roof, interiors and mechanical systems, and attainment of LEED certification for the building from the U.S. Green Building Council. The renovated property will feature state-of-the-art electrical and mechanical systems. Granum A/I is the project's exterior design architect, while HOK is serving as the architect of record.

"This exciting, new American headquarters for Novo Nordisk will reaffirm New Jersey's status as the capital of the country's pharmaceutical industry," said LCOR executive vice president Kurt M. Eichler. "Desiring to relocate to an in-state, Class A facility, the company had explored the option of occupying a

ground-up, build-to-suit building at another location. But Novo Nordisk soon recognized the enhanced value of the adaptive re-use approach presented by Ivy Realty, LCOR and Intercontinental."

Peter Palandjian, Chief Executive Officer of Intercontinental, stated, "We are thrilled to partner with Ivy and LCOR, which are experienced, first-rate real estate firms. This is an uncommon deal in these challenging markets; a value-add construction deal that is de-risked on the way in, and a construction project that is 'core' before we even start. Our tenant, Novo Nordisk, is world class and the market leader in its space. The company's long-term commitment to the property makes this deal possible. It is especially exciting for Intercontinental because of our union investors, who truly stepped up for this project."

After a full search process including some of the leading real estate investment firms, the Northeast Regional Council of Carpenters (NRCC) hired Intercontinental in 2010 to manage a portion of the union's pension investments in a strategic program that would invest in value-added and construction projects in New Jersey and the surrounding states, where they represent 30,000 members. "In these difficult economic times, I am glad that carpenters are investing capital funds to help finance this project," said Michael Capelli, Executive Secretary-Treasurer of the Northeast Regional Council of Carpenters. "Not only will this construction project create union jobs for NRCC members, the investment will strengthen our members' pension and annuity portfolios. It is good long-term financial strategy that provides excellent short-term benefits." To date, in addition to the Carpenters lead investment of \$55 million, the New Jersey Laborers and the New Jersey Operating Engineers have also invested with Intercontinental for a combined amount of approximately \$100 million.

Plainsboro Mayor Peter Cantu added, "We are delighted that Novo Nordisk has made the decision to remain and expand its presence in Plainsboro with a development project that will create jobs and deliver a high-quality building to our township. Novo Nordisk continues to be a great corporate citizen, and we thank them, as well as the ownership of this property, for investing in Plainsboro's bright future."

Steven Tolkach of Newmark Knight Frank represented the leasing efforts on behalf of Novo Nordisk. Sovereign/Santander and Wells Fargo banks served as co-agents for the development financing. Holliday Fenoglio Fowler, under the leadership of senior managing director Andrew Scandalios, arranged the joint venture equity and construction financing for the development.



August 2, 2011

Novo Nordisk Getting \$215M Redeveloped HQ in Plainsboro

Diabetes company **Novo Nordisk, Inc.** and a joint venture led by **Ivy Equities** and **LCOR** in partnership with Intercontinental Real Estate Corporation will embark on a **\$215 million** redevelopment project to completely renovate and upgrade a **770,000-square-foot** office building in the Princeton Forrestal Center in Plainsboro, N.J., that will serve as the new U.S. headquarters for the Danish pharmaceutical company.

The company has signed a long-term lease for the entire building, with the initial phase of occupancy being approximately **500,000 square feet** and the option to take the balance of the space within the building at any time. The deal represents New Jersey's largest commercial real estate transaction this year.

Steven Tolkach of **Newmark Knight Frank** represented the leasing efforts on behalf of Novo Nordisk. Sovereign/Santander and Wells Fargo banks served as co-agents for the development financing. Holliday Fenoglio Fowler senior managing director Andrew Scandalios arranged the joint venture equity and construction financing for the development.

Construction on the redevelopment, which will create more than 500 union construction jobs, is scheduled to begin in September. The building is located at 800 Scudders Mill Road and will be able to accommodate approximately 1,500 employees.

Novo Nordisk will be relocating from its existing headquarters at 100 College Road West in Princeton, and plans to occupy its new space in spring 2013 upon completion of the full-scale rehabilitation. Novo Nordisk's initial lease at the new building will expand its presence in the Princeton-area market by approximately 150,000 square feet.

LCOR and **Ivy Equities** will execute a top-to-bottom, gut rehabilitation of the property that will strip the vintage 1985 building to its skeletal frame. The plans include replacement of the building's façade, roof, interiors and mechanical systems, and attainment of LEED certification for the building from the U.S. Green Building Council.

The renovated property will feature state-of-the-art electrical and mechanical systems. Granum A/I is the project's exterior design architect, while HOK is serving as the architect of record.

PharmPro

August 2, 2011

Novo Nordisk Announces Plans for New \$215M U.S. Headquarters



Novo Nordisk, Inc., and a joint venture led by Ivy Equities and LCOR in partnership with Intercontinental Real Estate Corporation, today announced a \$215 million redevelopment project to completely renovate and upgrade a 770,000-square-foot office building in the Princeton Forrestal Center in Plainsboro, N.J., that will serve as the new U.S. headquarters for the Danish pharmaceutical company.

"The decision by Novo Nordisk to maintain its American Headquarters in Plainsboro and move into a new building is positive economic news for the state," said Governor Chris Christie. "This project, for one of the world's premier life sciences companies, clearly demonstrates that the fiscal and regulatory reforms we have implemented in New Jersey are fostering an environment conducive to growth, business expansion and job creation. I applaud Novo Nordisk for their continued commitment to the Garden State."

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Plainsboro Mayor Peter Cantu added, "We are delighted that Novo Nordisk has made the decision to remain and expand its presence in Plainsboro with a development project that will create jobs and deliver

a high-quality building to our township. Novo Nordisk continues to be a great corporate citizen, and we thank them, as well as the ownership of this property, for investing in Plainsboro's bright future."

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"Today is a tremendous day for New Jersey's economic future," added DiTommaso. "We are creating more than 500 construction jobs, bringing new life to a vacant office building, and retaining a highly regarded pharmaceutical company and its high-paying jobs here in New Jersey. We are proud to be executing on our vision for this remarkable property, and look forward to transforming this building into a vibrant, state-of-the-art corporate headquarters for Novo Nordisk."