



BioMed Realty, a Blackstone portfolio company, is marketing about 100,000 square feet at its Ardsley Park campus in Ardsley, NY (town of Greenburgh) for life-sci startups seeking 5,000 to 10,000 square feet. [BioMed Realty by Albert Vecerka]

At Suburban N.Y. Campus, BioMed Realty Thinks Small

National Life Sciences Developer-Owner Eyes Startups for Vacant Space at Ardsley Park

By **Alex Philippidis**

The development surge for up-and-coming life sciences companies now occurring in New York City is also unfolding in some of the Big Apple's neighboring suburbs.

In Westchester County, NY, BioMed Realty, a Blackstone portfolio company, is marketing about 100,000 square feet of vacant lab-office space in two buildings at its Ardsley Park campus in Ardsley, NY (town of Greenburgh) for life-sci startups seeking as little as 5,000 square feet.

Commercial real estate firm CBRE is marketing the space for BioMed Realty, which grew into a top national owner-developer of life science space by attracting biopharma giants to its sites in top-tier life sciences clusters totaling 11.2 million square feet.

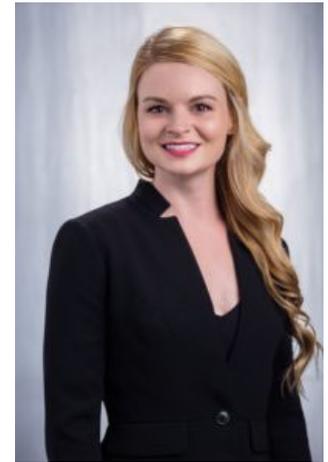
BioMed says it aims to respond to market need, since most potential life sciences tenants in the New York region "probably

range from about 5,000 to 10,000 square feet,” Colleen O’Connor, VP, East Coast and U.K. Markets for BioMed Realty, told an audience of life-sci entrepreneurs, investors, academics and business leaders yesterday.

Traditionally, she said, BioMed Realty would provide a capital allowance to tenants, through which they build out their space.

“If you’re a 5,000 or 10,000-square-foot user with a handful of employees, it’s not something that actually works for you. You can’t run the construction project. It’s not your specialty. You don’t really want to be in the real estate business. You really want to focus on your science,” O’Connor said. “We are in a position to put the capital in and actually go ahead and deliver lab and office space for these users.”

“It’s not going to satisfy every single user. But our hope is that 80% of the users out there that are 5,000 to 10,000 square feet would be able to operate within the space,” O’Connor added.



Colleen O'Connor, VP, East Coast and U.K. Markets for BioMed Realty

Lease Term Flexibility

O’Connor was among speakers addressing the “State of the Healthcare and Biotech Community Breakfast,” hosted by the Westchester Biotech Project and sponsored by J.P. Morgan at the Westchester Marriott hotel in Tarrytown, NY.

She said the space should be ready for occupancy in about nine months from the start of construction. To draw more smaller tenants, O’Connor said, BioMed Realty is offering flexible lease term lengths as short as one or two years, as well as shared amenities such as conference space.

Ardsley Park was built in the late 1950s by Ciba-Geigy, which vacated the site and relocated operations based there to Tarrytown before merging with Sandoz to form Novartis in 1996. A series of developers transformed the site into a multi-tenant lab-office campus that was acquired by BioMed in 2011 for approximately \$18 million.

The anchor tenant at Ardsley Park, Acorda Therapeutics, leases about 165,000 square feet, nearly two-thirds of the 265,000-square-foot campus.

Ardsley Park is BioMed Realty’s sole property in the New York region. In 2017, the company sold a larger lab-office campus 6 miles north, The Landmark at Eastview in Tarrytown, to Regeneron Pharmaceuticals for \$720 million. BioMed’s other sites are in the Boston-Cambridge, MA, San Francisco, San Diego, Seattle, and Cambridge U.K. regions.

Looking North

Ardsley Park was one of two life sciences campuses discussed at the breakfast. The other was North 60, a planned \$1.2 billion mixed-use community in Valhalla, NY, and adjacent Hawthorne, NY.



North 60 would combine bioscience, tech, and medical space, plus a hotel/conference center, restaurants, and a “living science center” focused on promoting science-technology-engineering-arts-math (STEAM) education and improving children’s health. Bioscience lab-office space would account for two-thirds of the project’s total nearly 3 million square feet.

North 60 would rise on a 60-acre portion of the Grasslands Reservation in Valhalla, NY, that is leased for 99 years to Greenwich, CT, developer John Fareri by Westchester County government, plus 20 adjacent acres owned by

North 60, a planned \$1.2 billion community set to combine bioscience, tech, and medical space, plus a hotel/conference center and restaurants, in Valhalla and adjacent Hawthorne, NY. [North 60]

Fareri in Hawthorne, NY. Fareri spearheaded the fundraising effort that enabled Westchester Medical Center to open the Maria Fareri Children's Hospital in 2004.

Plans for lab space within Grasslands have been discussed stretching back to 1998, and Fareri has sought to develop the site for 11 years, though the current North 60 project was formally unveiled in 2016 by the developers and then-Westchester County Executive Robert P. Astorino. Westchester County's Board of Legislators approved the 99-year lease in 2017, and Astorino's successor, George Latimer, signed the lease last year.

Neil DeLuca, President of The DeLuca Group, development consultant to Fareri, said North 60's developers are cautiously optimistic of finally gaining local approvals by year's end or soon after.

North 60 is being planned "to have maybe 600 units of housing over the next 10 to 15 years. This is a 10 to 15 year project," DeLuca said, filling a market need for housing for early-career life sciences professionals as well as for life-sci space.

Piggybacking on Successes

DeLuca noted that the medical center and its children's hospital are located at Grasslands, as is New York Medical College including its BioInc@NYMC biotechnology incubator—institutions that would complement the life-sci activity contemplated at North 60.

"Isn't there a way that we can piggyback on those successes? We hope so," DeLuca told breakfast attendees. "We think we're going to do something that doesn't exist in Westchester, and man, I hope we're successful."

Proximity to those and other employers—including Westchester's largest biopharma, Regeneron Pharmaceuticals—has prompted another developer, Robert Martin Company, to plan for converting an existing office property, 12 Skyline Drive in Hawthorne, NY, into a "graduation space" building for companies in life sciences, healthcare, and health tech that outgrow incubator and accelerator sites.

The planned conversion would be the first project for Robert Martin's RMC Bio1 initiative, launched late last year to develop flexible laboratories and offices for up-and-coming companies in life-sci and health tech. The first phase of design will begin immediately with construction expected to begin in Fall 2020, according to Robert Martin, which announced yesterday it has chosen BAM Architecture Studio to work with it on graduation space development.

Westchester's wave of life sciences projects comes more than a decade after New York City's began when another national developer, Alexandria Real Estate Equities, was designated by New York City's public-private New York Economic Development Corp. to transform a site on Manhattan's East Side overlooking the East River into what is now the Alexandria Life Science Center-New York City campus.

That project and the New York Genome Center, an independent, nonprofit academic research institution focused on furthering genomic research, spurred efforts to nurture life-sci startups. New York City is home to five incubators and a small but growing list of private life-sci development projects

"I would just encourage you to continue to persevere, because we're living in very exciting times. We're living in the midst of the most scientifically intensive corridor in the world" stretching from Boston south to North Carolina, Nancy J.



Nancy J. Kelley, JD, a steering committee member of NYC Builds Bio+ and president and CEO of Nancy J Kelley + Associates.

Kelley, JD, the founding executive director of the New York Genome Center and a leader for Alexandria's team in pursuing development in the Big Apple. Kelley is a steering committee member of NYC Builds Bio+ and president and CEO of Nancy J Kelley + Associates, which provides strategic, legal, and financial management services in the life science and healthcare industries.

Joining Kelley, DeLuca and O'Connor in addressing the breakfast:

- **Fritz Handtke**, director of Montero Language Services.
- **Peter Meath**, J.P. Morgan's co-head of Healthcare and Life Sciences, J.P. Morgan Commercial Banking, who discussed biopharma and healthcare trends as seen during the recent J.P. Morgan 38th Healthcare Conference in San Francisco.
- **Carla Romney, DSc, MBA**, the Westchester Biotech Project's director for Education Strategy, and an adjunct research assistant professor of Medical Sciences and Education at Boston University.