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'Air of Optimism' Propels Deals in New Jersey

For Patrick Cozza, moving the headquarters of the **HSBC North American Insurance Unit** from Bridgewater to Jersey City, N.J., made sense for a lot of reasons.

"We had a presence already here and we loved the great work environment in the area," the operation's president tells Site Selection. "We were seeking a high quality of life for our employees, and Jersey City matched all of our expectations. The proximity to HSBC North American Headquarters in New York City, combined with the pro-business atmosphere of Jersey City Mayor Jeremiah Healy, made this move a good fit."

The relocation brought 500 workers to 545 Washington Blvd. and a second site across from the Pavonia-Newport PATH Station in Jersey City. "We took half of the people we employed in Bridgewater and moved them to Jersey City," says Cozza. "We are also bringing other people from various HSBC locations around the New York City metro area. Eventually, we will get up to 700 people working at the new headquarters location."

Like other firms that have landed on the New Jersey side of the Hudson River, transportation played a pivotal role in swaying HSBC's location decision. "The transportation connection here is fabulous, with the rail and bus service. That gives us the ability to attract high-caliber professionals to Jersey City," notes Cozza. "We provide insurance products and services to HSBC customers throughout the U.S., and our proximity to the corporate headquarters on 40th Street and Fifth Avenue in New York is very important."

Jersey City Mayor Jeremiah Healy calls his community "the gateway to the financial capital of the world. Light rail

connects the entire city. You can invest and do business and live in Jersey City and still have access to all the advantages of Downtown New York and Manhattan — and you can do it at half the price."

The mayor aggressively promotes economic development throughout the city of 250,000 people. His biggest prize came in October when the **Depository Trust & Clearing Corp.** announced it would relocate 1,600 jobs from Manhattan to 415,000 sq. ft. (38,554 sq. m.) in Newport Office Center VI in Jersey City. The jobs pay an average annual salary of \$130,000. (See the New Jersey Spotlight in the January 2010 issue of Site Selection.)

"We have the 12th-largest downtown office market in the U.S.," Healy says. "That is incredible when you consider our population. All our hotels are at 90 percent or better occupancy. Another Hilton is coming on line in the next 18 months. We may have lost 10 percent of our jobs during the recession, but we are on our way back."

Healy says many firms are just now seeing the revived business climate in his city. "We have great incentives to locate here," he notes. "We don't have an income tax or a payroll tax or a corporate income tax. We have major international airports and seaports, great mass transit and all the bus routes. And we have had the No. 1 public high school in the state for 12 years running."

Among significant recent deals in the Garden State:

- **Mystic Logistics** took 223,000 sq. ft. (20,717 sq. m.) at 147 West Manor Way in Washington Township. The facility will serve as a logistics hub for the national transportation and

Jack Tighe, president and founder of TMG Health, tells Site Selection that his firm grew from 35 employees in 1998 to 1,100 workers at two sites today.

"We do outsourcing work for insurance companies in the Medicare and Medicaid health-care business," he says. "In

Scranton, we operate our national operations center, a data center, our call center and all billing and customer relations out of two facilities."

The firm occupies about 130,000 sq. ft. (12,077 sq. m.) in Scranton and Dunmore, but it also manages to get a lot of

work done at another location: employees' homes.

"We employ a big at-home work force," notes Tighe. "In our claims processing division, 90 percent of our employees work from home. Company-wide, about 60 to 65 percent of our employees work

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- Denmark-based **Leo Pharma** announced that its new U.S. headquarters will be located in Parsippany.
- San Francisco-based **Williams-Sonoma** leased 1.35 million sq. ft. (125,414 sq. m.) of warehouse space at the IDI-developed Middlesex Center in North Brunswick, to serve Northeast and international markets.
- **Equinix Inc.** announced a \$180-million capital investment in a two-phase data center expansion in Secaucus.
- **MAQUET Cardiovascular** announced a \$40-million facility expansion in Wayne that will create 350 new life-science jobs.
- More than 500 jobs were retained when **inVentiv Health** relocated to its new 154,000-sq.-ft. (14,307-sq.-m.) headquarters at 500 Atrium Drive in Franklin Township in Somerset County. Other big life-science deals last year came from **Bausch & Lomb** (30,000 sq. ft., or 2,787 sq. m., and 70 jobs) in Madison; **ImClone** (\$32.4 million and 900 jobs) in Branchburg; and **Chomocell** (15,000 sq. ft., or 1,394 sq. m., and 80 jobs) in North Brunswick.

"Beyond the numbers, there does seem to be an air of optimism in New Jersey with the election of Gov. Chris Christie," says John Boyd, president of The Boyd Company Inc., a location consulting firm based in Princeton, N.J. "Christie ran on a platform of pension reform, property tax reform, and making the state's business climate friendlier. No doubt, these reforms will be enormously challenging and will take a lot of time. However, corporations now feel that their long-awaited reforms and the process of re-engineering New Jersey's business climate can begin."

— Ron Starnier

from home. And all of them live within about 100 miles [161 km.] of Scranton.

"We have a very stable work force, and we have little difficulty attracting individuals to work for us," says Tighe. "Because of our telecommuting model, we can recruit people and then tie them in here remotely."

Solid Support

Tighe credits state and local economic developers with helping TMG achieve such quick success in Pennsylvania.

"The support we have received over the years from the economic development community, from both state and local agencies, has served us very well," he adds. "The technology and infrastructure in Northeast Pennsylvania have helped too. With a remote work force, we have a lot of people that need to be connected to us through high-speed modems. The broadband in the region is excellent."

Tighe says TMG has taken advantage of incentive programs such as the Ben Franklin Technology Fund for job training and the Keystone Opportunity Zone for tax abatements. "We have pretty much tried to use them all as we have grown to over a \$100-million company today," he notes.

"I would say that Scranton works very hard at attracting and retaining businesses. The community really comes together to support companies. They are very approachable, and they truly want firms to be successful." **SITE**

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