



Fiserv Plans Major East Coast Financial Technology Hub

New Jersey Awards \$109 Million in Tax Incentives
To Lure Project Promising 2,000 New Jobs



Fiserv plans to turn a Berkeley Heights, New Jersey, office property into a “flagship strategic technology hub.” (CoStar)

By Linda Moss
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New Jersey will soon be home to one of the largest financial technology hubs on the East Coast.

Fiserv was awarded \$109.2 million in state tax incentives and said it plans to transform a mostly vacant office property in Berkeley Heights into a "strategic center of excellence for technology and product innovation." The project will bring nearly 2,000 new jobs to the Garden State.

The company, headquartered in Brookfield, Wisconsin, will expand its footprint in New Jersey with its lease for 100 Connell Drive, a 428,000-square-foot office building in The Park complex in Berkeley Heights. The company plans to invest just over \$105 million to relocate and make improvements to that property as part of a consolidation that will put 1,063 existing employees and 1,927 new workers under the same roof.

The Fiserv announcement Wednesday is the biggest win so far for New Jersey Gov. Phil Murphy and the tax-incentive reform that he championed, and in line with his mission to draw so-called innovation economy businesses to the Garden State. The lease also helps solidify New Jersey's status as a magnet for the fast-growing fintech industry and is evidence that companies, amid the pandemic, are now looking to have employees back in one site, working together, according to John Boyd Jr., a principal of relocation consultant Boyd Co.

"This is a great execution of the new incentive program," Boyd told CoStar News. "And it's a very significant project. New Jersey, particularly the Newark area, has had a run of recent fintech stories, albeit on a smaller scale. Fintech is a major growth industry for New Jersey, and really an industry that New Jersey is in a sweet spot to compete for, given the [state's] intellectual capital and proximity to Wall Street."

The New Jersey Economic Development Authority on Wednesday awarded the tax incentives to Fiserv under the new Emerge job creation program, which was part of the tax break overhaul, the New Jersey Economic Recovery Act of 2020, that Murphy fought for.

"New Jersey's economic future rests with our ability to attract exactly the kind of high-paying jobs that Fiserv is bringing to our state," the governor said in a statement. "Our incentive program, which was several years in the making, was created to attract exactly this type of business to New Jersey and this announcement is proof those incentives are working."

New Jersey's Deep Bench of Talent

Fiserv is a Fortune 500 global payments and financial services technology company with more than 40,000 employees in over 100 countries. It views the Berkeley Heights site as a flagship strategic hub and core location for actively developing leading technologies, according to Murphy's office.

"This will be a massive retrofitting effort to make this site a state-of-the-art, high-tech facility," Boyd said. "They'll be all sorts of broadband infrastructure, server equipment, different types of data security, continuity-of-operations equipment. These are very capital-intensive projects."

The new Garden State site will give Fiserv "access [to] a deep and diverse bench of financial and banking technology talent while bringing our people together to best serve our clients," Frank Bisignano, the company's president and CEO, said in a statement.

"Fiserv has been in New Jersey for decades," he said. "Our new location in Berkeley Heights will be a dynamic hub of collaboration and innovation, bringing our people together in an inspiring workplace environment to create opportunity for unmatched energy and career-growth experiences as we move payments and financial services forward on behalf of our clients."

In its application to the EDA, Fiserv cited New Jersey's location at the heart of the Northeast corridor, specifically the state's proximity to the financial industry in New York, according to Murphy's office.

Fiserv had been considering an alternative location in Alpharetta, Georgia, for its hub that included two office buildings, according to the EDA. The company was offered \$92.8 million from local officials and the state of Georgia in tax incentives and tax abatements to go there, the EDA said.

The new New Jersey campus on Connell Drive, a single four-story building, "was selected due to its desirable location in a vibrant, easily-accessible community, and for its many existing and planned amenities," according to Fiserv. The location will include "social work zones, wellness amenities and culinary programming to create a superior workplace environment," the company said.

The office property is owned by Connell Real Estate & Development Co., according to CoStar data.

"We are excited about Fiserv's decision to choose The Park for their expansion, which serves as affirmation that the changes we're implementing are continuing to attract top caliber companies to our campus. We look forward to welcoming Fiserv to the campus and introducing their associates to The Park's plethora of social and wellness focused amenities," Shane Connell, Connell Real Estate's executive vice president, said in an emailed statement to CoStar News.

Earlier this year, Connell Real Estate announced plans to add 300 apartments, retail and entertainment offerings at another property at The Park, at 200 Connell Drive, in a planned \$400 million development.

The EDA approved Fiserv for a tax-credit award of \$109.3 million over seven years with a 313% net-positive economic benefit to the state, above the required rate of 200% for the project.

The per-job incentive awarded to this project is significantly lower than the average per-job incentive awarded under New Jersey's previous job creation tax incentive program, according to the governor's office. Through the Emerge program, small and large businesses, as well as nonprofit groups, can apply for tax credits to support projects that meet minimum capital investment, job creation or retention, and other requirements. Applicants must demonstrate they have a viable out-of-state location and that the tax credit award is a "material factor" in the decision to locate in New Jersey.

The planned Fiserv campus will serve as an innovation lab, according to the company.

"Partners from fintechs, merchants, and financial institutions will use the center to innovate with Fiserv to jointly create seamless, simple, and meaningful experiences for consumers and businesses," the firm said. "The hub will be one of the largest on the East Coast and leverage the diverse talent from New Jersey to elevate prominence of the payments and fintech industry in the state and beyond."

The majority of the new jobs will be technology-related roles, all based at the new campus in Berkeley Heights "in alignment with the company's strategy to bring people together in large strategic hub locations to inspire innovation and collaboration, and to attract the best talent to best serve clients," according to the company.

Fiserv also said it will partner with local universities, including Rutgers University-Newark, to create programs and opportunities for their students and graduates.

"Berkeley Heights will allow a lot of synergies with colleges and universities like Rutgers," Boyd said.