

Two vacant commercial properties sold in Wayne

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Wayne Township, which has been losing major businesses for several years, has some welcome news: two vacant commercial properties are being sold to buyers who plan to fill them.

Buyers of BayerHealthCare's former 55-acre campus, and a former Drakes's bakery plan to seek industrial tenants.

The sale of Bayer's 301,870-square-foot building on West Belt Parkway to The Stro Cos., a Ridgewood real estate firm, closed this week, according to CoStar, which tracks commercial real estate data. CoStar didn't list a price for the property, and Stro principal Steve Millstein declined to disclose it.

The former Drake's bakery at 75 Demarest Drive is under contract to a buyer, according to CoStar. CBRE Group Inc., which is handling the sale of that 257,248-square-foot facility on 19.5 acres, declined to identify the buyer. It is expected to take several months for that deal to close. The asking price was \$16 million.

"Hopefully the economy is changing and improving, just by seeing these two properties being sold," Wayne Mayor Christopher Vergano said.

The beleaguered township has lost or will soon be losing several long-time corporate citizens, including GAF Materials Corp. and Ashland Specialty Ingredients. Bucking that trend, Haier America, the U.S. arm of the Chinese appliance-manufacturing giant, is relocating from New York City to the township in third quarter.

With the Bayer site, Stro will be adding to its properties in Wayne, which include an office building at 415 Hamburg Turnpike and a warehouse/industrial property at 60 Owens Drive, Millstein said. The company owns more than 1 million square feet, including buildings in Clifton, Hackensack, Paramus and Woodbridge.

BayerHealthCare, the U.S. unit of global pharmaceutical giant Bayer AG, moved last year from 6 West Belt Parkway to a state-of-the art headquarters in Whippany at the former site of Alcatel-Lucent.

There was a ribbon-cutting ceremony last October at Bayer's new headquarters, where it consolidated operations from not just Wayne, but also the Pine Brook section of Montville, Morristown and Tarrytown, N.Y. Some 2,400 employees work out of the Whippany office.

Bayer purchased its Wayne building in 2007 from Berlex Lab Inc., Millstein said.

"Our plans are to reposition it into a campus for flex/industrial-type tenants, flex/industrial meaning it's more high-ceiling-type warehouse space than office space," Millstein said.

Stro plans renovations to create more high-ceiling warehouse space, Millstein said. He explained that the building was originally industrial, but Bayer took the higher-ceiling space and converted it to office.

"We're going to take that second story out and convert it back to its original use, which is really the use that it is more popular in the market," Millstein said.

Vergano said it was "good news" that Stro plans to use the Bayer site for industrial.

"I'm sure they'll be able to find future tenants to fill the place," the mayor said.

"Obviously, we're concerned when we have big corporations leaving the township, but the encouraging news is that the property was sold and the new buyer is ready to move forward. We met with him and talked about his plans for the future."

Vision Equities LLC of Morristown redeveloped the Whippany site for Bayer's new headquarters, and as part of that agreement had the option to directly acquire the Wayne and Montville legacy sites. Vision Managing Partner Samuel Morreale said his firm ended up helping to market the site for Bayer. He couldn't be reached for comment on why Vision Equities didn't buy the Bayer properties.

Bayer's listing broker, Cushman & Wakefield of New Jersey Inc., couldn't be reached for comment.

The Drake's bakery was one of 132 former Hostess Brands Inc. properties that were purchased for \$59.8 million by Hackman Capital Partners last summer. They were sold after Hostess filed for bankruptcy protection. CBRE was then retained to sell the Wayne property.

Vergano and other township officials have met with the prospective buyers of the Drake bakery, but declined to identify them. He said they want to keep that property industrial.

"We met with the principals ... they'll be looking for multiple tenants," Vergano said.

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