



EDISON

Road to Ruin

The demise of a company that aimed to produce 80 million gallons of biodiesel a year in the state points out the drawbacks of the renewable fuel.

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THIS WEEK

Little-Noticed Casino Tax Break

Gambling houses could reap tax savings under a deal in which the casinos agreed to subsidize the state's struggling tracks.

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License to Expand

A new law that licenses wine-making schools gives a Hack-ettstown shop the opportunity to franchise its business.

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Board of Contributors

Gregg M. Edwards decries a prospective state plan to create a public authority to build power plants.

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Interview

Verizon Vice President Doug Schoenberger discusses the benefits of high-speed broadband networks for economic growth.

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The Bottom Line

Steve Adubato warns managers of the dangers of blurring leadership and friendship lines when it comes to decision-making.

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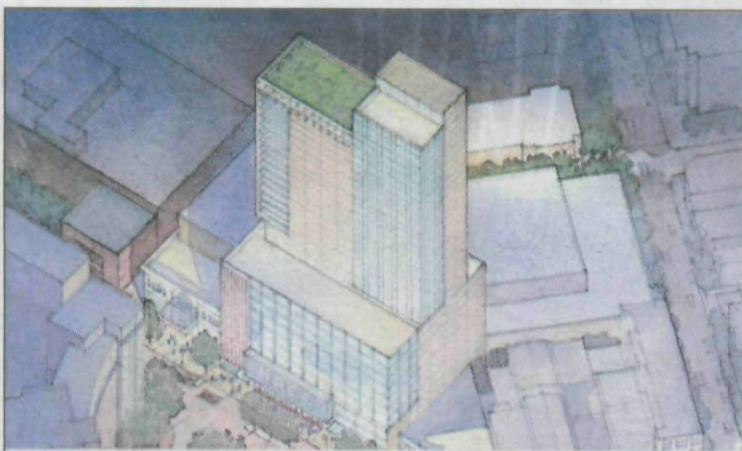
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At 350 feet high, the proposed building will be the tallest in New Brunswick.



The project will bring between 750 and 1,000 new jobs and 200 residents to the city.

Giving Arts a Bigger Stage

New Brunswick's revenue-producing theater district will get a \$275 million overhaul

By Evelyn Lee

ECONOMIC DEVELOPMENT NEW BRUNSWICK—The city is gearing up to overhaul its famed theater district with the construction of a \$275 million, 600,000-square-foot mixed-use project that will be anchored by a new \$50 million performing arts center. The ambitious redevelopment and expansion plan seeks to substantially boost arts-related revenue in the city, as well as make local arts organizations more financially stable and sustainable, according to the developer of the project.

The structure, slated to open in 2012, will become the city's tallest building at 34 stories, or 350 feet, and will include an office and condominium tower built above the arts space. The project is being called the "new" New Brunswick

>> See **STAGE** on page 8

A \$1M Push to Market The Garden State

Nationwide campaign reaching out to big companies

By Scott Goldstein

TRENTON—New Jersey's \$1 million national advertising campaign to attract businesses to the state appears to be generating interest, but has not snagged any companies.

STATEHOUSE

"Relocation is a very refined business and there are entities that work with nearly every major company," says Gary Rose, chief of the state's Office of Economic Growth. "In that world, we see our job is to get connected with intermediaries and make sure they are aware of our programs and offerings."

>> See **SIGNS** on page 6

Spreading the Word With a Corporate Blog

Johnson & Johnson finds a unique way to discuss sensitive issues in the pharmaceutical industry

By Shankar P.

NEW BRUNSWICK—Few might expect a conservative company like

CORPORATE STRATEGY

Johnson & Johnson to use blogs as part of its communication strategy. Yet the New Brunswick giant is the first member of the state's vast health care industry to take the plunge into blogging by putting up two sites, including a lively one called jnjbtc.com—for "J&J By the Way."

Marc Monseau, J&J's director of corporate communications, says jnjbtc.com helps the company connect with everyone from employees to suppliers while discussing regulatory and other ticklish issues in a candid fashion. It can even be used to settle scores.

>> See **BLOG** on page 10 Monseau and Gurowitz maintain the blogs.



Steven J. Dundas

For address or name corrections, fax label to (732) 846-0421



BIZ Spotlight

High-Tech Update

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- Critics: Small investment in nanotech has negative impact. **Page 21**
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STAGE Redevelopment Aims to Spur Arts Growth

>> Continued from page 1

Cultural Center (NBCC), in reference to the umbrella organization that oversees the city's theater companies and owns the properties out of which those companies operate.

The office and residential components are expected to bring between 750 and 1,000 new jobs and 200 new residents, according to Chris Paladino, president of the New Brunswick Development Corp. (Devco), which is the project's developer. Other features include 11,000 square feet of retail space, an underground parking garage and upgrades to the State Theatre, which will connect to the new arts center via a 12,500-square-foot interior galleria.

The project is aimed at significantly increasing the arts-related dollars spent in the city, adds Paladino. "We start on the premise that if we could provide state-of-the-art performance venues, we can increase the audiences that come to New Brunswick by 40,000 to 80,000 people a year," he says.

The arts have played a crucial role in promoting economic development in New Brunswick, he notes. In 2005, the city's nonprofit arts organizations had an economic impact of more than \$36.5 million and supported more than 870 jobs, according to Americans for the Arts, a Washington, D.C.-based nonprofit group.

Paladino expects to break ground in 24 months, with construction taking two years. The performing arts center, set to occupy the first two floors of the building, will be built on the current sites of the George Street Playhouse and Cross-

roads Theatre on Livingston Avenue. The two theater companies, as well as Mason Gross School of the Arts and the American Repertory Ballet, will utilize the new space, says Paladino.

Devco is looking to sign with a developer or a corporation to finance construction of the 12-story, 252,000-square-foot office tower on floors three to 14. Under the first scenario, a developer would partner with Devco and create a multitenanted office tower. If a corpora-

In 2005, the city's nonprofit arts organizations had an economic impact of more than \$36.5 million.

tion signs on, it would occupy the entire space and get naming rights for the arts center, Paladino says. Companies that lease office space in the building would be entitled to receive tax credits under the state's recently adopted Urban Transit Hub Tax Credit Program, he says. Devco is also in discussions with housing developers to fund the cost of the 20-story, 200-unit condominium tower on floors 15 to 34.

The \$50 million cost of building the arts center will be paid for primarily through the sale of air rights to the developers, says Paladino. The current values of the air rights are between \$12 million and \$15 million for the office tower, and

\$15 million for the condominium tower, he says.

The city's theater district on Livingston Avenue came together during the 1980s and early 1990s. During that time, the NBCC was established, the State Theatre reopened after a \$4 million renovation, and the George Street Playhouse and Crossroads Theatre relocated from other parts of the city, according to the NBCC.

The theaters brought a well-to-do and well-educated demographic into the city, says David Listokin, co-director of Rutgers University's Center for Urban Policy Research in New Brunswick. "You're talking about a lot of people coming, often from afar, and coming to New Brunswick where they wouldn't perhaps normally do so otherwise," says Listokin.

The theaters' drawing power has led to the opening of successful retail establishments, restaurants and hotels in the city's downtown over the past 20 years, says Jim Cahill, New Brunswick mayor. "The performing arts have now made the city a destination to the 400,000 people a year who come to enjoy the cultural amenities in the theater district," he says.

Redeveloping the theater district is now necessary for the continued growth of the arts in New Brunswick, says Paladino. "The antiquated facilities out of which these organizations operate are not only hindering their ability to draw larger audiences," he says, but "are hamstringing the number of other organizations that can use the stage and has limited the diversification of various types of performances."

The new performing arts center will provide its occupants with larger and enhanced performance, rehearsal, studio and classroom space. Such improvements will help to boost

the revenue-making potential of the center's resident theater companies, says David Saint, artistic director of George Street Playhouse.

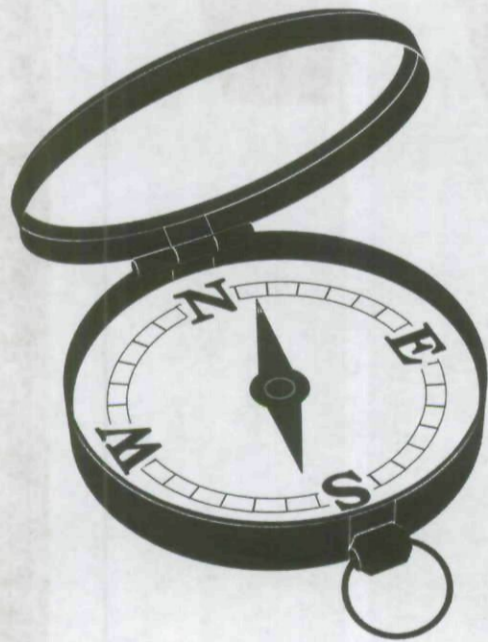
At its current space in a converted YMCA, the theater company can only produce one play at a time and the facility has inadequate classroom space, Saint says. "We'll have more seats than we have now. We'll have a much more welcoming space for an audience to come to," he says. All of this will presumably draw larger theater crowds to New Brunswick, he notes.

The project, however, also presents some drawbacks. Saint expects his theater company will be without a space for approximately 18 months to two years, during demolition and subsequent construction. In the interim, he is considering the use of local museums, churches and schools as theater sites.

George Street Playhouse and Crossroads Theatre will have to adjust to not having their own buildings. "Obviously, it will be a shared space," says Marshall Jones III, Crossroads executive director. "It could have an impact on our identity," he adds about Crossroads' reputation as a Tony Award-winning African-American theater company.

Those are small tradeoffs when compared with a greater sense of financial security, the theater directors say. Because of private investment in the project, Saint says the theaters can focus fundraising efforts on reducing deficits and strengthening operating budgets. Jones adds consolidation of box offices and IT departments can allow occupants to cut costs. "With consolidation, it will maximize productivity," says Jones. "You can find some beneficial savings." ♦

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