

Incentives offer Gateway to development

Devco chief says Urban Transit Hub tax credits powered New Brunswick project



Christopher J. Paladino, president of New Brunswick Development Corp., says the Gateway project would not have been possible without the help of tax credits.

BY ANDREW KITCHENMAN

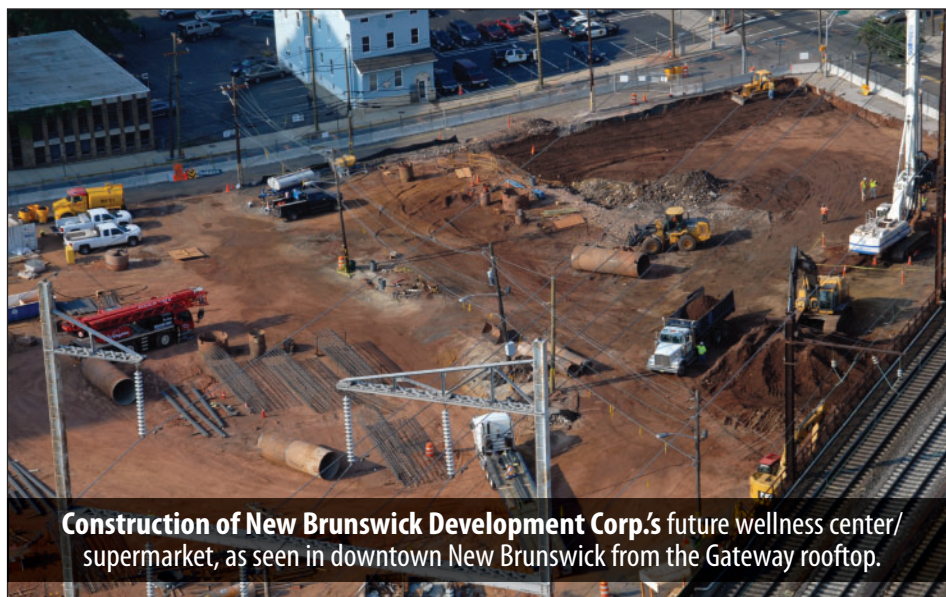
WHILE CHRISTOPHER J. PALADINO has led **New Brunswick Development Corp.** through a series of major projects, none of them were planned and constructed in as difficult an economic landscape as the current one.

That may explain why he is brimming with excitement over the Gateway project, a mixed-use development under construction at Easton Avenue and Somerset Street, next to New Brunswick's train station.

Devco is drawing on a variety of financing sources to build it and a nearby wellness center project for a total of \$250 million. One of the key components is up to \$55 million in tax credits through the state's Urban Transit Hub program.

"In the middle of the most difficult economic times in recent history, we've invested a quarter of a billion dollars," said Paladino, Devco president.

Gateway will include 150 apartments, 42 condominium units, 50,000 square feet of office space, 65,000 square feet of retail space — including a **Barnes & Noble** bookstore — and a 685-space parking garage. The Wellness Plaza will include a **Fresh Grocer** supermarket, a fitness and aquatic center



Construction of **New Brunswick Development Corp.'s** future wellness center/supermarket, as seen in downtown New Brunswick from the Gateway rooftop.

operated by **Robert Wood Johnson University Hospital**, and a 1,200-space garage.

In addition to the Urban Transit Hub credits, financing came from Build America Bonds provided through the federal stimulus, federal New Markets tax credits, and participation from conventional lenders like **Bank of America** and a consortium of smaller New Jersey banks.

The development "would not have been able to be built in the current environment but for the benefits of the Urban Transit Hub tax credit program," Paladino said. "It has allowed us to bridge a variety of financial challenges."

The Gateway garage is scheduled to open in November, with the residential

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A unique approach to repair heart muscle after attack

Ikaria hopes injectable 'cast' can aid recovery from cardiac arrest

BY JARED KALTWASSER

IF ALL GOES Ikaria's way, a quick injection might become the key to limiting muscle damage when a patient suffers a heart attack.

Ikaria Inc., a critical care-focused biotechnology company based in Hampton, is developing a product designed to be administered by injection within 90 minutes of acute myocardial infarction. But the

injection — known as IK-5001 — isn't a drug, according to the Food and Drug Administration, which classifies it as a medical device.

Daniel Tasse, Ikaria's CEO, said when the IK-5001 solution meets with calcium in the heart muscle, it turns from a liquid to something more like a gel, and acts like a cast supporting the heart muscle. Weeks later, when calcium levels decrease, the

"cast" goes back to its liquid state.

"What you have is a self-assembling and self-disassembling splint for a broken heart," Tasse said. "It's wonderful technology and a very clever way to think about providing damage support for the heart, so it heals better."

Dr. **Abel Moreyra**, a professor of medicine at the University of Medicine and Dentistry of New Jersey Robert Wood Johnson Medical School, said the sooner

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New Jersey COMMUTERS



In 2010, total NJ Transit ridership fell to **263.1 million**

(down 2.4 percent)

Bus: 161.2 million (down 2.9 percent)

Rail: 80.4 million (down 1.5 percent)

Light Rail: 21.5 million (down 2.4 percent)

ON A SINGLE DAY*:

515,334 people travel from New Jersey to midtown Manhattan

302,852 take cars through the Lincoln or Holland tunnels

111,030 ride the PATH

83,152 take NJ Transit or Amtrak

16,300 arrive by ferry

66,195 commuters travel from New Jersey to New York each morning**

In North Jersey***:

53% of commuters work in their home county

10% commute to New York

75% of commuters drive alone to work

* Survey taken on one day in the fall of 2009 by the New York Metropolitan Transportation Council.

** Total traffic volume from 6 to 9 a.m. in May 2011 from New Jersey to New York at the six Port Authority crossings, including the Holland and Lincoln tunnels and the George Washington Bridge. Source: Port Authority of New York and New Jersey.

*** Analysis by the North Jersey Transportation Planning Authority of figures from the 2000 Census, for 13 North Jersey counties. Sources: NJ Transit, North Jersey Transportation Planning Authority, New York Metropolitan Transportation Council.

Gateway residents are expected to create a year-round customer base for businesses in New Brunswick.



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units opening in January and the office space to be occupied in the spring. The Barnes & Noble is due to open in time for Rutgers University's fall 2012 semester — the store also will serve as the campus bookstore.

The projects will total 1.2 million square feet and add pedestrian links on both sides of the station, with Gateway providing a direct pedestrian connection to the Rutgers campus.

Paladino said Gateway will provide secondary benefits to the city's economy by making visits to the Easton Avenue commercial corridor more attractive through the additional parking, and by easing the strain on commuter parking.

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& Noble, but with a separate entrance, allowing longer hours.

Paladino said he's seen early interest from commuters who like the idea of being able to shop for groceries, work out and go to work within steps of their homes. This is a strong selling point for the work force market between the affordable and luxury housing markets, he said. The condos are expected to be priced at \$250,000 to \$420,000.

Rutgers spokesman **E.J. Miranda** said the university is looking forward to the project's completion, including the addition of the Barnes & Noble.

"The Gateway will create a dynamic and unique destination that will welcome visitors" to both the city and university, Miranda said.

New Brunswick spokesman **Bill Bray** said Gateway residents will provide a new year-round customer base for Easton Avenue businesses that face slow summer months.

"The hope there is that more people will choose New Brunswick (train station) and also encourage our own residents, in-

Photos by Christina Mazza



stead of driving, to also tap into our mass transit," he said.

For Paladino, Gateway is just the latest in a string of projects, including Rockoff Hall University Apartments, the Heldrich

and New Brunswick High School.

"It shows this is a city on the move — it shows there's an energy" in New Brunswick, Paladino said.

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doctors can re-establish blood flow — usually by using a balloon, then a stent — the lesser the damage. That's key, because damage caused during a heart attack can lead to problems, like congestive heart failure, even if the patient survives the initial heart attack.

"If the damage has been extensive and permanent, because there was no opening of the vessel, then the heart muscle is replaced by a scar — and a scar doesn't pump," Moreyra said.

Tasse said because of the unique way IK-5001 acts within the body — serving as a cast or splint, rather than penetrating cells — the company asked the FDA to treat it like a medical device. **Gerard P. Norton**, a partner and chair of the intellectual property department at **Fox Rothschild LLP**, in Lawrenceville, said that gives the company a significant advantage.

"Small-molecule (drugs) — from the moment you file your FDA submission,

it could be five years before you get approval and place it into the market," he said, "whereas medical devices take anywhere from one to three years. It's a much quicker pathway."

Norton said the FDA has three different classes for medical devices, ranging from

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Gerard P. Norton,
Fox Rothschild LLP partner

dental floss, to diagnostic tests, to permanent implants like pacemakers. Tasse declined to say which class IK-5001 might fit into, but Norton said the timelines can vary by class.

"We've seen similar injectibles take two years, and also seen similar injectible materials take up to three years," he said. "But every year is revenue, and with the market potential that this has, you could be collecting close to \$1 billion" annually.

Moreyra said current procedures are expensive and require a team of hospital personnel, so a simpler way to re-establish blood flow in the heart would be welcomed, though he said he would need to see clinical data before he could form an opinion on Ikaria's idea.

Ikaria expects to begin Phase 2 and Phase 3 studies of IK-5001 this year.

The current incarnation of Ikaria was created in March of 2007 when the company merged with **INO Therapeutics**. At the time of the merge, the company had 300 employees, half of which were based in New Jersey. The firm now has 500 employees; 300 in New Jersey. Earlier this year, Ikaria relocated from Clinton to Hampton.

That INO deal brought with it INO's Inomax, a treatment originally approved for treating so-called "blue babies" — in-

fants born with respiratory distress — but now being used for a number of respiratory conditions. Before the merger in 2006, Inomax had global sales of \$163.5 million. Last year, sales exceeded \$300 million; Tasse said that allowed the company to boost its R&D spending to \$80 million last year.

IK-5001 was licensed in 2008 from the Israeli firm **BioLineRx**. Also that year, the company licensed Lucassin, a drug aimed at treating a rare liver disease, Hepatorenal syndrome, from New Jersey-based **Orphan Therapeutics**. A Phase 3 trial for Lucassin started last year.

Tasse said Ikaria feels its niche is in the critical-care market — an area Big Pharma has largely avoided, in part because it has smaller patient populations than more common outpatient conditions, such as hypertension or diabetes. He said the company's strategy is to focus on unmet critical care needs, rather than simply chasing scale.

"Our business is all about focus and insight," he said.

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