Developers Argent Ventures and H&H REIT propose transforming 18 acres on the Hudson River waterfront of Jersey City, NJ, into "The Cove," a $3 billion campus whose mix of uses would include 1.4 million square feet of lab and office space for life science and other tech users at cheaper-than-Manhattan rents—as well as skyline views of New York City. [Nancy J. Kelley + Associates]

Skyline views of New York City and cheaper-than-Manhattan rents have long helped to sell many successful developments across the Hudson River from the Big Apple in Jersey City, NJ. But will those selling points work in the life sciences?

Argent Ventures and H&H REIT hope they will prove irresistible enough to fill the 1.4 million square feet of lab and office space for life science and other tech users planned as part of The Cove, a $3 billion mixed-use community proposed for 18 acres along Jersey City's Hudson River waterfront.

Life science space at The Cove is envisioned to include academic and commercial labs with core and specialized facilities, officers for venture capital (VC) firms, incubator and accelerator spaces, collaborative work or "maker" spaces, and a vivarium. [Nancy J. Kelley + Associates]

The life-sci space is envisioned to include academic and commercial labs with core and specialized facilities, officers for venture capital (VC) firms, incubator and accelerator spaces, collaborative work or “maker” spaces, and a vivarium. The Cove would combine that space with another 1.6 million square feet of apartments, most of them within two towers; plus retail and service space and a 2-acre public park with a restored tidal salt marsh, creating a gateway to adjacent Liberty State Park. At 1,212 acres, Liberty is larger than New York’s Central Park (843 acres).

“Originally when we bought the parcels, we weren’t thinking of this as life science [space],” Clay McPhail, vice president of Acquisitions and Asset Management at Argent Ventures, told *GEN*. Argent hasn’t built life-sci space but once co-owned a lab-office campus in suburban New York—The Landmark at Eastview in Tarrytown, NY, now the headquarters of Regeneron Pharmaceuticals.

“We were thinking of it as purely residential, because that’s what most developers tend to do in Jersey City,” McPhail said. “But the more we looked at it, the more we really like the life science angle and thought it made a lot of sense. We had an idea that this would be a pretty compelling location for a whole host of reasons.”

One reason: Lab space rent would be, “you could say significantly cheaper than Manhattan and Cambridge [MA],” McPhail added.

Location, location, location

Other reasons apply the old real estate maxim—“location, location, location”—by capitalizing on the site’s presence at the center of the New York-New Jersey region.

“This is a gateway to Manhattan, but it’s also a gateway to New Jersey, so it will become the glue between those two very big markets,” said Peter Schubert, FAIA, design partner with project architect Ennead Architects International.

Within a 20-minute walk of The Cove is Liberty Science Center, the interactive science museum and learning center. Later this year, the center plans to break ground on SciTech Scity (sic), a 30-acre innovation campus whose first phase, set to open in 2023, will include the Edge Works incubator with nearly 100,000 square feet of research labs, private studios, open workspaces, and a conference center.

Just north of The Cove is 95 Greene Street, where developer Thor Equities is converting a former Colgate-Palmolive toothpaste factory later occupied by Merrill Lynch into 340,000 square feet of lab/R&D space for life sciences as well as agbio, green tech, healthcare, and medical tenants. Thor bought the building last year from SJP Properties for $94.5 million.

The Cove is also less than an hour’s drive from the numerous biomedical, healthcare, and academic or independent research anchors in New Jersey and New York. Biopharmas in the region include Allergan (AbbVie), Celgene (Bristol-Myers Squibb), Daiichi Sankyo, Eli Lilly, and Pfizer (including its New York City headquarters and Pearl River, NY, R&D site).

The Jersey City development site sits about 33 miles north of Johnson & Johnson’s headquarters campus in New Brunswick, NJ, and 18 miles northeast of Merck & Co.’s HQ in Kenilworth, NJ.

Merck’s planned women’s health spinout company Organon selected Jersey City last year as its headquarters, with plans to occupy 110,000 square feet leased by co-working office owner WeWork at the Goldman Sachs-owned 30 Hudson Street

Organon—which expects to employ 10,000 people worldwide upon completion of the spinout—is among several companies that have moved into or near Jersey City since the pandemic. Evergreen Theragnostics, a radiopharmaceutical contract development and manufacturing organization (CDMO) based in Jersey City, broke ground in September 2020 on a 14,000-square-foot cGMP manufacturing plant located 18 miles west in Springfield, NJ.

Deep “labor pool”

The Cove also looks to draw upon New Jersey’s life-science labor force, estimated to be anywhere from 72,000 to 86,500 people, accounting for about 57% of the total industry workforce of 152,000 within the New York-New Jersey metropolitan area. The Garden State also has nearly three-quarters of the region’s total 24.7 million square feet of lab space, with 5.5 million square feet of that space in Jersey City and the rest of northern New Jersey, according to JLL.

New York-New Jersey ranked second in jobs and fourth in lab space in *GEN*’s updated A-List of “Top 10 U.S. Biopharma Clusters (https://www.genengnews.com/a-lists/top-10-u-s-biopharma-clusters-8/),” published March 10.

Those rankings could improve if developers across the region can translate their project plans into proverbial bricks and mortar. New York City has 1.1 million square feet of life-sci space to be built through 2021, on top of some 850,000 square feet completed since early 2019, according to commercial estate firm CBRE.

North 60, a planned $1.2 billion community set to combine bioscience, tech, and medical space, plus a hotel/conference center and restaurants, in Valhalla and adjacent Hawthorne, NY. [North 60]

North of the Big Apple in Westchester County, Regeneron has proposed adding 200,000 square feet of lab space to its Tarrytown, NY, headquarters—while less than two miles north in Valhalla, NY, the $1.2 billion “North 60” development is under review by the Town of Mount Pleasant Planning Board. North 60 would combine bioscience space with other commercial and residential uses on 60 acres of the Grasslands Reservation in Valhalla, NY, that is leased for 99 years to Greenwich, CT, developer John Fareri by Westchester County government, plus 20 adjacent acres owned by Fareri in Hawthorne, NY.

Jersey City’s urban dynamic, he added, should make The Cove attractive to companies and institutions in a state where most life sciences space is within suburban or exurban lab-office campuses built a generation ago. The Cove, by contrast, will promote itself by its mix of urban scale, adjacency to outdoor recreation,

and mass transit links to New York City, with a residential component expected to attract tenant businesses and institutions concerned about employee retention and recruitment.

“Live-work-play”

“This live-work-play environment is extremely important,” says Nancy J. Kelley, president and CEO of Nancy J. Kelley + Associates, which conducted a market assessment study for The Cove’s developers.

That study consisted of nearly 40 interviews with biotech and pharma executives, venture capitalists, and leaders of academic and other research institutions. Kelley’s marketing assessment also identified several pharma and life science companies interested in leasing space at The Cove as well as an academic partner that was interested in leasing up to 20% of Phase I for graduate academic programs and specialty core facilities.

“Employees from New Jersey don’t want to travel that extra 45 minutes to get to the east side of Manhattan, and life science employers in Manhattan are having trouble recruiting labor because it’s expensive to live there,” Kelley said.

McPhail added: “You have a big labor pool in the state of New Jersey, with a lot of folks for whom it might be a hassle to get into the East Side of Manhattan, or into Long Island City.” He continued, “if you want to try to attract that in-state labor pool, it makes sense to try to have a compelling location in-state where you have that urban dynamic. It seemed like this was a compelling spot for that.”

The project would rise on vacant industrial “brownfield” land bisected by a tidal ditch that receives a combined sewer outfall. A land-use consultant to the developers, Dresdner Robin, has completed the approximately $10 million first phase of environmental remediation at the contaminated site, whose parcels were assembled between 2015 and last year.

Argent is partnering with the Jersey City Redevelopment Agency (JCRA) and the Jersey City Municipal Utilities Authority (JCMUA) on conducting environmental remediation activities, including projects designed to mitigate combined sewer overflows and provide tidal flood resiliency for a large portion of downtown Jersey City.

The partners are also working to build the public park and other infrastructure, Schubert said, with the goal of creating a new model for an office environment in the New York-New Jersey region.

“Since the beginning, Clay [McPhail] has been talking about taking what is currently there— a very toxic environment vis a vis the brownfield site—returning that to a really natural environment, and making sure all the buildings in the spaces around that environment are really a participant in the environment with green spaces within the terracing of the office space itself,” Schubert said.