

## Mixed-use plans for Lucent property campus in Hanover purchased for \$18.5M

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By **Sarah Portlock / The Star-Ledger**



Sarah Schillaci / For The Star-Ledger Alcatel-Lucent has sold its 194-acre property in Morris County after one year on the market.

A large mixed-use development of office space, retail and residential units could rise just off Route 10 in Morris County if proposed plans go through for the former Alcatel-Lucent campus.

The telecommunications giant sold its 194-acre property in Hanover in December to Rubenstein Partners, a private real estate investment firm, and the Mountain Lakes-based Vision Equities, people involved in the deal confirmed yesterday.

The campus had been on the market since 2009, when Alcatel-Lucent relocated employees to its corporate headquarters in Murray Hill, said company spokeswoman Mary Ward.

"The intention here, based upon certainly the quality (and) the scale of the property, is to do a high-end, high-quality mixed-use project," said Sam Morreale, managing partner and chief investment officer of Vision Equities.

"It would be something that has not typically been able to be developed in New Jersey based upon availability of quality in-fill land like this," he said, referring to the amount of land normally available in built-out areas of the state.

The property sold for \$18.5 million, according to people familiar with the deal. Its assessed value had dropped significantly in recent years, falling from \$91 million in 2007 when it was occupied to \$36 million in 2010, according to Hanover Township business administrator Joseph Giorgio.

The deal includes 15 buildings totaling 1.4 million square feet of space for offices, research and labs.

The two main office buildings are "prime candidates" for renovation and re-use, Rubenstein said in its statement.

There are also discussions to create office, retail, multi-family and senior living uses on as much as 80 acres of land, depending on how existing office space is redeveloped.

"We have had our eye on this property for a significant amount of time, prior to its availability and obviously through the entire marketing of the property," Morreale said.

Giorgio said the township wants to start discussions immediately, and will hire a planning firm to create a "mini-plan" for the property.

"We want to put this on the fast track and we've made that very clear to Vision Equities," Giorgio said. "We're hopeful that within three years, we'll see development."

A new life for the property means the township can think about additional tax revenue again. Alcatel-Lucent was the municipality's biggest taxpayer at \$2.4 million annually, Giorgio said.

"We are anxious to restore the ratable, no question about it," he said.

Cushman and Wakefield vice chairman Robert Donnelly, who represented Alcatel-Lucent in the deal, said the situation is a "win-win" for the purchasers and municipality.

"It's a very, very well-located piece of property in the center of Morris County," he said. "There are very few tracts of land of this size where you can really create a destination."

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