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### Developer seizes on data-center demand

James QuirkThe Record, Hackensack, N.J.

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Aug. 22--When Russo Development first acquired a 28-acre parcel on MacArthur Boulevard in Mahwah, the Hackensack-based real estate firm envisioned building a massive campus of office space.

But Edward Russo, president and chief operating officer of Russo Development, saw an opportunity to do something different. Marketed as the Brookline Corporate Center, the site is being pitched as a build-to-suit project ideal for a large company's data center. At 316,000 square feet offered within two proposed buildings, it is one of the largest available commercial development sites in northern Bergen County.

Data centers are mostly used as backup operations for companies, said Steven Jenco, client-services manager for the Fairfield-based Grubb & Ellis real estate firm. They came into vogue in the late '90s, when many businesses began to adopt waves of new technologies, a trend that accelerated following the terrorist attacks on Sept. 11, 2001.

"Around 2001, the companies realized, 'You know what? We need to store this data someplace, to maintain our business operations in case of a disaster,'" Jenco said. "Then 9/11 came along, and data centers and the idea of data recovery came into the spotlight. The goals then became, 'How do we maintain our business operations if a disaster strikes our office, and we need to keep running?'"

Since then, North Jersey has emerged as a prime location for data centers. A combination of lower rents and proximity to Manhattan lured companies such as JPMorgan Chase & Co. and the software and information-technology services business SunGard to set up data centers or back-office locations here, Russo said.

Available power is key. Tenants searching for data-center space are looking for redundant power -- back-up transformers or power grids that can be utilized in case of a region-wide blackout or natural disaster, Jenco said. Piscataway has emerged as a strong market for data centers because of the availability of additional power grids, he said.

During a recent interview at the Russo Development office on Hudson Street, Russo set up a laptop and projector to give a guided tour of Mahwah using Google Earth. Pointing to the space on MacArthur, Russo explained that next to the Brookline site is a little-known facility -- a data center for package-delivery company United Parcel Service set back from the road that UPS has used for the past decade.

Russo Development has built a half-dozen data centers in North Jersey in the past year alone, Russo said. MacArthur Boulevard is an ideal place to build a data center, Russo said, as the power grid there is already expanded to serve the UPS building, and a Rockland Electric power transmission station is nearby.

"We realized that we didn't need to build speculatively there, because this is such an established market for a data-center use," Russo said.

Though the Brookline Corporate Center can be broken into smaller sections, Russo Development is primarily looking for a single tenant to fill the site. Large banks and financial companies are all potential tenants, said Michael Pembroke, senior vice president at Russo Development.

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