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He's breaking new ground on brownfields

By JAMES QUIRK
STAFF WRITER

Paul Cohen concedes that at age 77, he should be living life in the slow lane, retired and perfecting his golf game somewhere warm and sunny.

Instead, on Oct. 1, Cohen left SBWE, the regional commercial real estate company that employed him for 28 years, to join CB Richard Ellis, the world's largest commercial real estate firm. Cohen's task is to assemble and mentor brokers for the purpose of redeveloping brownfield sites across New Jersey, something Cohen has done for the past 15 years.

"I'm not a golfer," Cohen explained with a laugh, as he explained his new position in an interview at CB Richard Ellis' East Brunswick office. "And I love my work. I get a high when I make a deal, and I continue to look for the next deal."

In a state where developable, pristine land is scarce, redeveloping brownfields is not a new tactic. The practice began to pick up steam seven years ago, and now most commercial real estate firms, like Cushman & Wakefield, have a dedicated branch specializing in brokering brownfield sites. Some companies, such as Hackensack-based Russo Development, have earned industry accolades by redeveloping large, complex contaminated properties that often take years to remediate.

While CB Richard Ellis has brokered deals on redeveloped brownfield sites before, Cohen's Brownfield Practice Group will be the first in New Jersey to zero in on them exclusively. The group will consist primarily of current CB Richard Ellis brokers interested in specializing with brownfield redevelopment.

Cohen said his team is poring over the state Department of Environmental Protection's list of 23,000 brownfield sites across New Jersey, and hopes to identify 2,000 sites prime for redevelopment by the end of January. Cohen and his team will then work to connect the site owners with developers and guide both through the redevelopment process.

The new group also will focus on every brownfield site within a 25-mile radius of the Port of Newark, because of the increasing desire of industrial real estate companies to locate their distribution warehouses as close as possible to the port's supply lines, Cohen said.

Cohen's planned approach is a paradigm shift for brownfield redevelopment. The standard model is to take a blighted site, often the former home of a defunct or underutilized factory, clean it up and place another factory there. Cohen said there is another path to take with this type of redevelopment, one that he began pitching to CBRE's brokers at a conference in Saddle Brook on Dec. 11.

"We set up a booth, and groups of brokers would come to speak to us," Cohen said. "People weren't connecting that by redeveloping brownfields, we were creating new

land that could be developed for housing, for retail, or both -- not just for another factory."

This approach will allow CBRE's brokers to cast a wider net in identifying brownfield sites for redevelopment, Cohen said. This may include mom-and-pop property owners "who are paralyzed" by the DEP's process of declaring their land as a brownfield site, or mid-size companies operating underutilized factory property on contaminated land at a loss, in a tactic to avoid cleanup costs, Cohen said. His new group will work with these owners, educating them on the state's new redevelopment incentives and programs, which include reimbursement of 75 percent of cleanup costs.

So far, seven brokers have joined Cohen's nascent practice group. He expects that number to swell to 20 in the next several months.

Commercial real estate appears Thursdays. E-mail: quirk@northjersey.com

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Putting sites back into play

Before joining CB Richard Ellis in October, Paul Cohen served as executive vice president of SBWE Inc. Cohen is a member of the National Brownfield Association. Some of the major brownfield redevelopments he has brokered include:

- Custom Distribution property. The 250-acre site in Perth Amboy was sold to the Panattoni Development Co., which plans to build a 2 million-square-foot warehouse.
- Beazer East property. A 60-acre site in Woodbridge that was once home to the Koppers Chemical Co. It was sold to the Prologis Corp., which is constructing a 3.9 million-square-foot warehouse.
- Starflex property. The 58,000-square-foot chemical plant in Carteret, built on a 25-acre site, was sold to Prologis, which built a 360,000-square-foot warehouse there.
- Raritan Arsenal property, Woodbridge. Leased to FedEx Ground, which built a 700,000-square-foot warehouse in 2001.