

Business **New Haven**

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HEALTH CARE

Covidien Moves to Long Wharf

Relos 400 from North Haven, Norwalk

By Steve Higgins

NEW HAVEN — The Elm City will welcome 400 executives and employees to the local health-care industry in the coming months as Covidien Surgical Devices moves into the Long Wharf Maritime Center overlooking New Haven Harbor.



Whelley: 'Having Covidien here sends a strong signal that the industry is alive and well.'

The North Haven-based company plans to lease 120,000 square feet at 555 Long Wharf Drive, one of two buildings that comprise the 700,000-square-foot Maritime Center. The lease has a ten-year term.

New Haven will become the new headquarters for Covidien Surgical Devices, which previously

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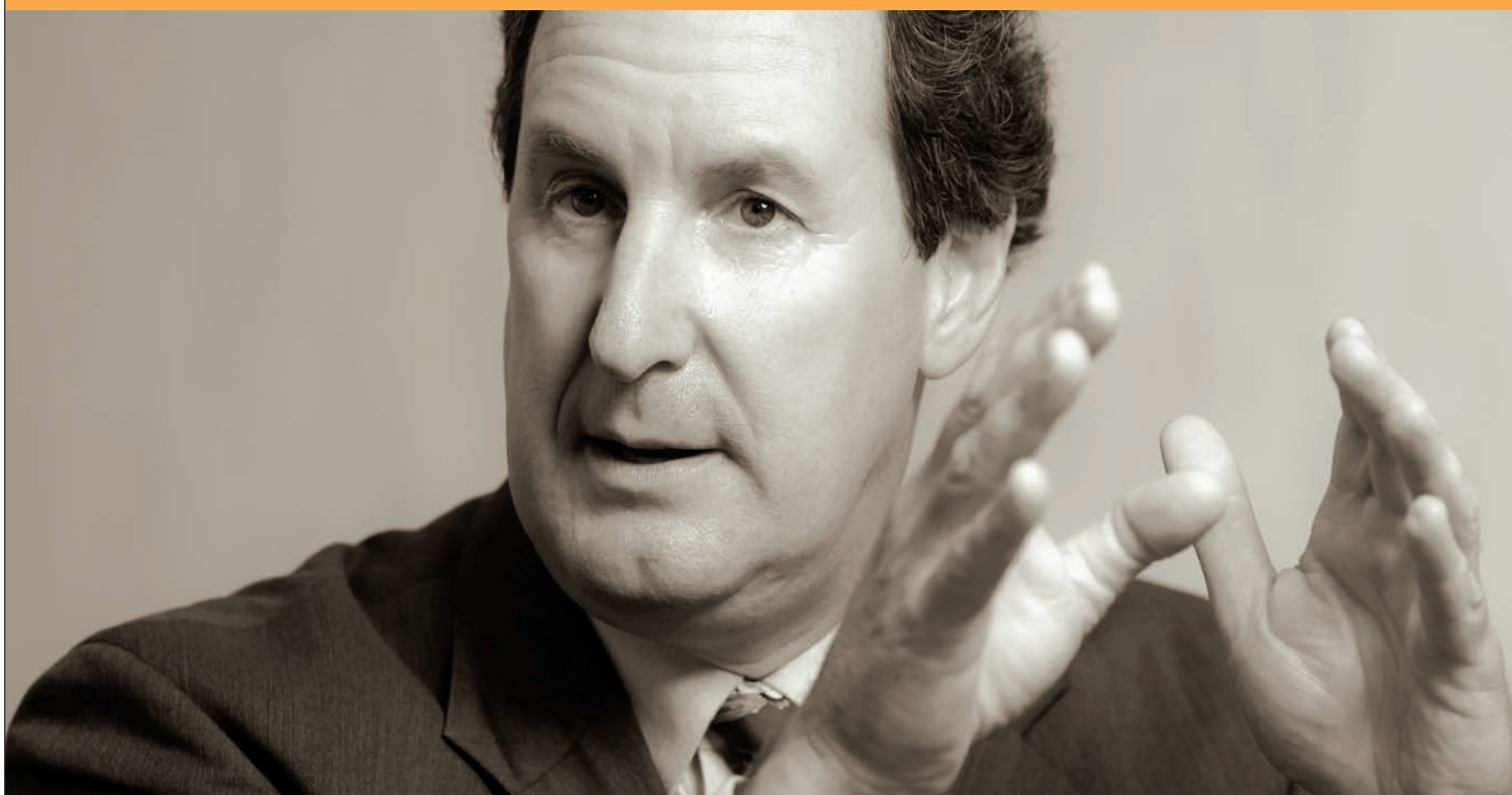
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The Man Behind the Crane

Even as recession roils, developer Becker doubles down on downtown renaissance

When just three years ago the city was shopping for a developer for the long-dormant Shartenberg site, Mayor John DeStefano Jr. said, "There are countless proposals" to develop the 65,000-square-foot parcel bounded by Chapel, Orange and State streets (named for the former department store that occupied it from 1915 to 1962). The store was razed in 1964 as part of then-Mayor Richard C. Lee's overreaching 'urban renewal.' Plans for the parcel came to naught, and the Shartenberg site has been vacant ever since (except for use as a surface parking lot). This time around Fairfield developer Becker & Becker won the bidding, some say largely based on its partnership with the Multi-Employer Property Trust, a real estate fund representing union pension plan investors. It was a decision that proved exceptionally fortuitous, as many large-scale projects have been sidetracked by funding problems from frozen credit markets. Once fully occupied, the 32-story mixed-use development will increase downtown's current population of 6,500 by more than ten percent. BNH asked developer Bruce Becker to discuss the project.

■ ■ ■
It's been reported that while you were at college at Amherst, you did a thesis on the New Haven's Nine Squares. What was that about?

The thesis was my undergraduate American studies thesis. I was a double major in fine arts and American Studies. My topic was the grid in the American landscape. It's interesting because I've been looking more at that thesis now than I've done in at least a decade.

Why?

Because we're working in New Haven, The thesis was not about New Haven, but it cited New Haven [as] the ultimate user of the grid. The Nine Squares grid in New Haven is probably the first time a pure grid was imposed on the landscape in America. New Haven's grid was the purest and the first at what became an American pastime.



When you went to grad school here did you go for management or architecture?

I first applied to the architectural school, although one of the reasons I decided to go to Yale instead of some lesser school like Harvard or Princeton [was that Yale] had a joint degree program with the School of Management, although it was a barely used program.

What's the history of Becker & Becker — and who's the other Becker?

It was started by my father and uncle. They were planners, not architects or developers. After I graduated, I worked for a development company in California

doing large-scale projects. In 1988 I came back [East]. My father's firm was dormant; he had retired. Rather than starting something new I figured I would continue the company he started — but with a new direction.

How is the development business doing right now with the economy?

We typically do only one big project at a time, and we're lucky to be on this one. Hopefully by the time we're done with this one, the rest of the economy will be moving again. It was the strength of our relationship with the pension fund that's a partner that allowed it to proceed. Most financial institutions were trying very

hard in September 2008 to run away from [projects].

They didn't get cold feet?

It was a little uncomfortable. They said, 'We don't want to move forward,' and I said, 'You're my partner and I'm counting on you.' So they said, 'Okay, we'll do it.' That's a summary of a week's worth of intense phone calls.

Now that things are a little more normalized, is your partner more comfortable?

Yes, there's a recognition that this project is going to be one of the more exciting projects brought online in the next several years. Not many new projects are being completed, so that puts us at an advantage. It's a very ambitious project and a national model for transit-oriented development and sustainable design.

Is the residential component all rental, or are there condos, too?

The project we call 360 State Street is a whole community unto itself. The largest and most visible is the residential part [32 floors and 500 apartments] ranging from studios to three bedrooms. The reason it's all rental is the pension fund is investing retirement funds to create long-term income streams. That being said, we've given some thought to selling some of the units as condominiums. Based on the current climate, I think we're going to proceed with the original plan, as rentals.

What about the retail and office space?

There's a 500-car parking garage and 500 apartments. We'll also have Zip Cars, which is a program for short-term [auto] rentals. We'll also have the first full-service downtown grocery store...

(Interrupts) Do you have a commitment for that?

We have a draft letter of intent that we hope to execute in the next 30 days, we're fairly confident we'll be entering into a lease soon. We have other retail spaces,

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such as for a bike shop, and hope to have a child-care center on site. It has about 35,000 square feet of commercial space, but the vast majority of that is for the grocery store. We have an entire floor of amenities like you would see at the Yale Club in New York. It has a library a reading room, club room, a [film] screening room, a fitness center and an outdoor terrace that is about three quarters of an acre with an outdoor swimming pool, up on the sixth floor. [The design] is similar in character to what you might find in a Yale courtyard, but it's about 60 feet in the air and has great views of the water.

How far along is construction?

About one-third; I think we have steel to the 14th floor now. Right now they're building one floor a week in terms of the steel structural system. We designed the project so it can be built fairly rapidly, using a system known as a staggered-trusses system. The steel is put in place and then the concrete plank is set. The components are pre-fabricated offsite and can be erected quickly onsite with a crane. We expect some time between Thanksgiving and Christmas we'll top off the structure.

When will the occupants move in?

We're planning to have the first group of apartments ready by the summer of 2010.

You describe the project as 'transit-oriented.' Is that because it's next to the [State Street] train station?

Transit-oriented development is located adjacent to public transit, and the best kind is located next to fixed rail. You don't have to own a car to go to work or to go shopping. 360 State street is unique in the state of Connecticut, being right adjacent to a Metro North train station and walkable to the major employment centers in New Haven.

What's the 'green' building component?

We're in a pilot program: LEED for Neighborhood Development [LEED ND]. There are a number of programs within the U.S. Green Building Council's program to encourage, and rank how green a building is. The LEED ND program gives points to some of the inherent characteristics of the building — walkability and access to transportation — on top of normal LEED criteria [such as] energy use and the use of recycled reusable materials.

Does it cost a lot more?

Some of the things, no — you're just picking one type of carpeting over another, or cabinet, where there's not much of a premium. Other things are quite expensive: We're putting a 400-kilowatt fuel cell in the building. It will allow us to produce a good deal of the electricity we will use on-site and capture the waste heat from that process to help produce the hot

water as well as the space heating. We're [also] doing the normal things to reduce energy use, [e.g.] high-performance windows.

Have there been fuel cells used in a residential project like this in Connecticut before?

This is the first in a mixed-use residential/commercial project in the state.

Considering the costs, do you think fuel cells will become commonplace in projects like this any time soon?

I think in the short-term it will be quite unique. Over time there will be more combined heat-and-power applications. A fuel cell [can provide] the benefit of using the heat that is normally a waste byproduct of producing electricity. There are

tests going on for single-family homes, but right now they really work best in large projects because there is no much involved in engineering and running them.

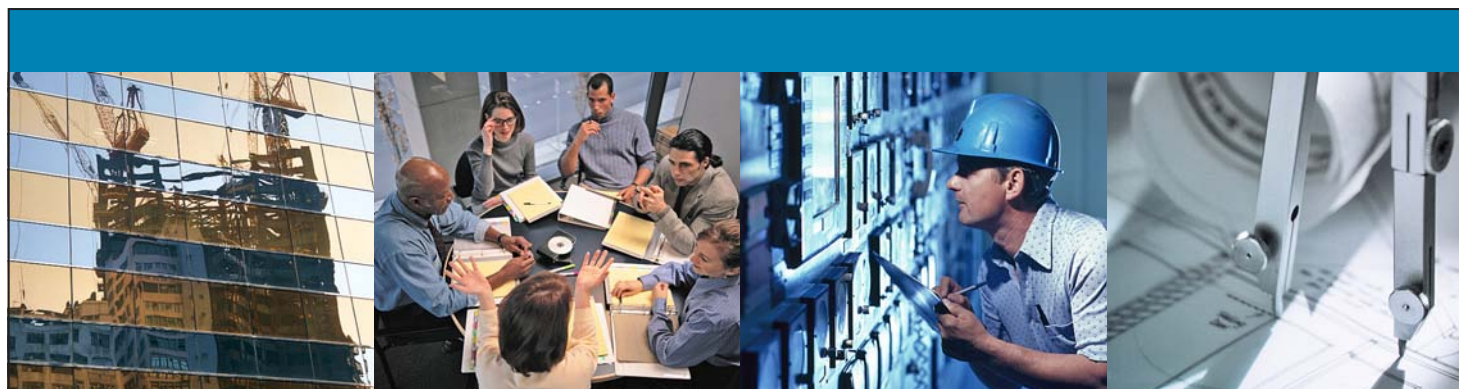
So as a new building you're taking advantage of new technologies that are coming online?

Yes. Interestingly, because there are not too many new buildings right now, we may be unique and the model for integrating all these technologies — energy production, smart thermostats, grid.

How much confidence do you have that the market will be there at the price you need to get?

We and our investors looked at all the competing buildings in New Haven.

There are about a dozen that are first quality with nice amenities and layouts. Our expectation is that we will get similar rents to the Ely and CenterPointe, the better [luxury apartments] in downtown. Those prices are about \$2.25-\$3 per square foot per [month]. We've watched the market closely. When we started there was about two-percent vacancy for those better apartments, and today it is unchanged. We haven't assumed we are going to rent all of our apartments in the first season. We're planning on it taking two years. We're hurrying to have them available next year because New Haven is very much a seasonal market. We're optimistic because we'll be providing things that never existed in the New Haven market. **BNH**



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