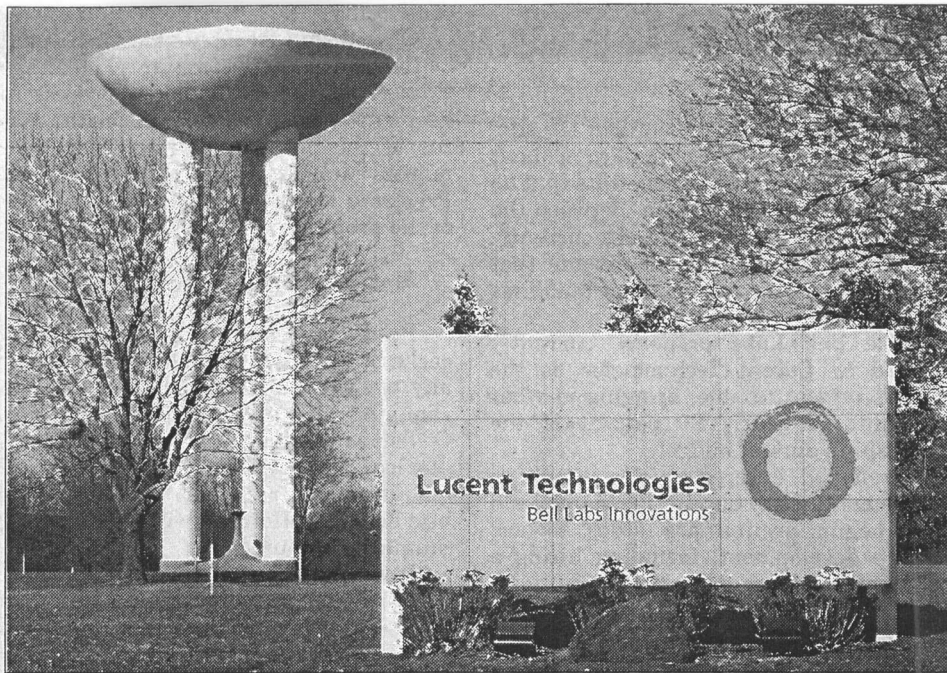


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FILE PHOTO

The Bell Labs property, now owned by Lucent, is Holmdel's largest ratable, comprising about 20 percent of the township's tax base.

Section of Bell Labs may be left intact

Company hosts first of several community meetings on site's future

BY TOM CAIAZZA
Staff Writer

HOLMDEL — It was a chance to meet the new neighbors.

Holmdel residents met with Preferred Real Estates Investment Inc. on June 27 at the Robert B. Meyner Reception Center on the campus of PNC Bank Arts Center to ask questions and conduct a discussion about the future of the nearly 500-acre Bell Labs property.

Preferred was given a clear charge by the residents in attendance — who braved the Arts Center traffic and the commotion from the Def Leppard concert next door — that the developers should preserve the site at or as close to its current level of development, and save the current architecture associated with the Bell Labs facility while retaining the tax

ratable base.

Preferred's founder and CEO, Michael G. O'Neill, presented the company's initial intentions for the property, which included possible on-site areas of development, preservation of the "pastoral beauty" of the land, and the fate of the 2-million-square-foot Bell Labs facility. At its zenith, the lab housed more than 6,500 jobs, and made countless advances in the science of telecommunications since its inception more than 40 years ago.

O'Neill said that depending on market demand, he expects the property to become a commercial campus of three to five smaller buildings that will most likely serve as data centers for financial companies, house pharmaceutical companies and hopefully serve as the world headquarters for a company looking to reside in New Jersey.

"Our goal is to keep our development for less than what was there," O'Neill said.

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Also on the drawing board for the site, O'Neill said, would be a small component of age-restricted residential units that he said would "bridge the gap" between the \$3.2 million in taxes Bell Labs currently brings to the town, and the amount that could be expected with smaller buildings on the property.

The Bell Labs property, currently owned by Lucent Technologies, is the town's largest ratable, bringing in what amounts to nearly 20 percent of the township's annual budget.

Preferred entered into a purchase agreement with Lucent in March and has begun preliminary steps toward future development, including hiring a planner, conducting environmental tests on the property and reaching out to the community.

O'Neill said Tuesday's meeting would be the first of many community meetings throughout the development process to keep the residents informed on the status of the property and to elicit comments and questions from them. Preferred will become the official owner of the property in August 2007.

Merits of senior homes debated

Preferred's plan calls for a small cache of age-restricted housing to buffer any tax shortfalls that may ensue from changing the nature of the property. O'Neill said smaller buildings will generate less tax revenue and that a small amount of age-restricted housing would be a benefit to Holmdel without straining municipal resources.

It was an aspect not well received.

Former Township Committeeman Tony Orsini said that age-restricted housing was a temporary tax boon, and that in the long run, the cost of providing services to the area will outweigh the positive impact it will have on the tax rate for the first few years.

"I see absolutely no positive impact from residential [construction] for the town except for developers," Orsini said.

Committeeman Terence Wall said that he would not support a residential rezoning of the property.

"I urge you to think creatively," Wall said. "I urge you to think nonresidentially."

Jenny Blumenthal, a representative of the Holmdel Citizens for Informed Land Use (CILU), commended O'Neill in a prepared statement for "indicating it was not the intent of Preferred Real Estate Investments to turn the Lucent property into a residential subdivision."

While a large residential area is not in the works, O'Neill said, there may still be the need for some low-impact housing set back from the road in addition to the commercial structures proposed.

"It will bridge that [commercial structures] with something else more attractive," O'Neill said. "This is not going to be a residential development. It would be one component."

The Saarinen tradition

Of the many plans still to be ironed out, the most obvious is what to do with the Bell Labs building. O'Neill said that his first reaction to the massive structure was that it would be impossible to fill, given a current market deficit for research and development facilities, and will most likely be demolished. He said that a facility larger than 1.2 million square feet runs the risk of remaining empty because the demand for a structure of that size no longer exists.

"It seems disingenuous to talk about involving the community when that decision has been made," said Lee Beaumont, a former Bell Labs employee.

O'Neill said that a deeper look at the structure, however, has yielded a plan that would retain the structure's aesthetic value while enhancing its functional value. Demolishing only part of the building and rebuilding it to match the stylistic architecture it previously embodied is one of the ways Preferred may choose to go.

He said that the company is looking to save the atrium in the center of the building in order to keep the aesthetic value intact.

For many in Holmdel, the structure designed by world-famous architect Eero Saarinen is as much a work of art as it is a place of business.

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Roberta Kaufman, a member of the Holmdel Planning Board, called the reflective surface of the five-story structure "the largest mirror in the world" and suggested the developers market Bell Labs as "The Saarinen site."

She said the style made famous by Saarinen is popular among young people and jokingly offered a possible tenant.

"Maybe Ralph Lauren would like to move there," Kaufman said.

The balancing act

The developer is hoping to break ground by the end of next year on a plan that, from conception to fruition, will take upward of five years to complete.

O'Neill said there is a possibility that Holmdel could begin to see a return of ratables as soon as 24 months from the closing date.

Some expressed worry that Preferred would purchase the property, eventually decide it's not marketable as is, and build residential units on it. They were met with a pledge by O'Neill.

"We won't back out of this contract," O'Neill said. "We're going to buy this site. We will go forward with this purchase

and will develop on this site."

The company does not work with outside investors and promised no surprises or outside influences.

"We take our projects very personal — there is nobody behind the green curtain," O'Neill said.

O'Neill offered another guarantee that will help to cement the future of the Bell Labs property as the aesthetically open and organic site it has been for 40 years.

"No retail, no industrial," O'Neill said. "And when we're done, we'll take the rest of the land and deed-restrict it."

O'Neill later said that the deed restriction would most likely place the leftover land in an open space easement.

Preferred promised that this was just the first in a series of potential meetings and open dialogue between the company and the community. The next one will most likely be held in the high school auditorium, he said.

The next step is to look at the concerns and the suggestions from the community and "take all those interests and balance them," O'Neill said.

"Our goal is that at the end of the day, it's as beautiful then as it is today," O'Neill said.