

U.S. | NEW YORK | NY REGION

Red Berries Are Coming Back to New Jersey

Bai Brands, which produces drinks from coffee fruit, is taking over former Ocean Spray facility



Developer Daniel Popkin in a former Ocean Spray factory in Bordentown, N.J. PHOTO: BRYAN ANSELM FOR THE WALL STREET JOURNAL

Cranberries are out and coffee berries are in—at least in Bordentown, N.J.

In a sign of the changing beverage market, a longtime plant and distribution warehouse of juice maker Ocean Spray Cranberries Inc. will soon be home to the company Bai Brands, which produces drinks made from the coffee fruit, or the red berry that surrounds the coffee bean.

The beverage swap comes about through Modern Recycled Spaces, which buys and refurbishes old factories and mills. The company is expected to close next week on the purchase of the former Ocean Spray complex.

Modern Recycled Spaces founder and President Daniel Popkin said he would purchase the 480,000-square-foot Ocean Spray complex for more than \$10 million, although he declined to name a specific figure.

Modern Recycled Spaces signed a long-term lease with Bai, which will use the majority of the former distribution center to store and distribute its products. Mr. Popkin said he hopes to make the former plant a mixed-use space with housing, a brewery and a fitness center.

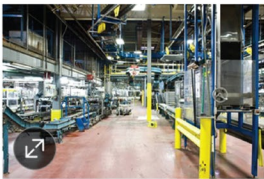
Ocean Spray, which manufactures cranberry juice and other fruit products, ended production in Bordentown in 2014, after 71 years. It then opened a more modern and higher-tech operation in Pennsylvania's Lehigh Valley.



the time it lost its largest taxpayer and largest employer is pretty miraculous," Mr. Malone said.

One day last week, Mr. Popkin strolled through the distribution center, a conveyor belt hanging from the 24-foot ceiling above. "It needs a little new love, a little energy," he said.

These days, the trappings of industrialism—exposed brick, open spaces, high ceilings with steel beams—hold a certain cachet.



Juice-bottling equipment in a former Ocean Spray factory in Bordentown, N.J. PHOTO: BRYAN ANSELM FOR THE WALL STREET JOURNAL

The move was a major blow to Bordentown, population 3,914. Ocean Spray employed about 200 people at any given time, said Bordentown Mayor Joseph Malone.

An Ocean Spray spokeswoman said about 100 employees moved to the Lehigh Valley location, and the 135 who didn't were offered generous severance packages.

"For the town to recover in basically a year from

But Mr. Popkin finds beauty in loading docks, old-fashioned signs —"Wash your hands before working on the tractors"—and conveyor systems, too. The Ocean Spray complex, for example, has train tracks that run alongside it.

"People love to be near train tracks," he said. "There is something really sexy about that."

Mr. Popkin owns and manages six large commercial projects in the Central Jersey area, most of which were former industrial sites, and now serve as a combination of office, retail, arts and manufacturing space.

One of these is Studio Park, a former mill building in Hamilton, N.J., where Bai has its headquarters.

The owners of Bai, Mr. Popkin said, initially just appeared on his doorstep.

"They literally showed up one day looking for space," he said. "They were looking for something creative, startup, entrepreneurial."

Bai now rents about 20,000 square feet in Studio Park.



Bai founder and Chief Executive Ben Weiss PHOTO: BRYAN ANSELM FOR THE WALL STREET JOURNAL

Last week, Bai Chief Executive Ben Weiss sat at a conference table, a can of Bai's Peru Pineapple Sparkling Antioxidant Infusion open in front of him. A giant photo of coffee berries hung on a nearby wall, and a ping-pong table occupied prime office space.

Mr. Weiss, a veteran of the coffee business, developed the drink about six years ago in the basement of his home in Princeton, N.J.

It is marketed as using natural sweeteners, being rich in antioxidants and low in calories. Today, the company has about 225 employees, about half of whom work in New Jersey.

After the move, about 50 employees will work in the Bordentown distribution center, and, within a year, the company expects to hire another 50 workers. It is interviewing employees who had worked for Ocean Spray, and recently hired three, said Bai's chief marketing officer, Michael Simon.

At least for now, the distribution center won't require any major modifications, Mr. Popkin said, but he may make eventual changes to accommodate future tenants.



Bai drinks are marketed as using natural sweeteners and being rich in antioxidants. PHOTO: BRYAN ANSELM FOR THE WALL STREET JOURNAL

Dr Pepper Snapple Group Inc. is a minority stakeholder and the primary distributor for Bai, which last year had \$48 million in sales. This year, Mr. Weiss expects about \$125 million in sales, he said.

The company, which recently developed a T-

shirt line, targets the millennial generation and is, in industry terms, a "functional beverage," competing with drinks like Coca-Cola Co.'s vitaminwater.

As for moving into the former Ocean Spray complex, "it's a symbol of where the industry is going, and the changing of the guard."