

Building trades 'ambassador'

Waldwick firm's chief tapped for national group

By **ANDREW TANGEL**
STAFF WRITER

The head of a Waldwick company with deep New Jersey roots has taken the helm of a national association of mechanical contractors that employ pipe fitters and plumbers.

Bob Armistead, whose grandfather began what is now Armistead Mechanical Inc. out of his basement in Jersey City nearly a century ago, took over as president of the Mechanical Contractors Association of America on April 1.

Armistead, 61, assumed command over the Rockville, Md.-based association of about 2,500 firms in the U.S. and Canada, as the country emerges from a deep recession that has shrunk revenues and pared the industry's payrolls.

"We're on a slight rise to come out of this recession," Armistead said. "But we're not going to be out of it in 2010."

The recession, which began in late 2007, crimped demand from contractors' commercial and industrial clients for large-scale pipes and plumbing for manufacturing or heating, ventilating and air conditioning systems.

Locally, Armistead, who grew up in Fair Lawn and lives in Orange County, N.Y., says his company has fared relatively well the last couple of years because it expanded geographically, seeking business in northeastern Pennsylvania and as far north as Albany, N.Y.

Still, Armistead expects his company of about 120 employees to take in less revenue this year than the usual \$50 million to \$55 million.

While Armistead Mechanical has seen declines in demand from office landlords and the pharmaceutical and



STAFF PHOTOS BY CARMINE GALASSO
Bob Armistead of Waldwick-based Armistead Mechanical Inc. heads the Mechanical Contractors Association of America.



semiconductor industries, the company has seen relatively steady demand from such clients as hospitals and data center operators, he said.

Armistead said he's steered clear of low-paying public works projects — projects that contractors desperate for work have taken for barely, if any, profit, imperiling their businesses financially.

"We already see many contractors falling by the wayside and going out of business," he said. "You might even see more of that, because the pricing of work is below where the numbers should be."

The MCAA, meanwhile, has its sights set on legislative goals. Among the association's priorities are tougher restrictions on contractors that skirt payroll taxes by improperly classifying employees as sub-contractors, and winning more tax incentives for energy-efficient construction projects.

"It would generate good business, and be good for the environment," he said.

As MCAA president, Armistead said he wants to focus in particular on education — expanding the number of schools with association chapters and promoting professional development within the industry.

But he wants to help the industry maintain its labor force. While he said unemployment in the mechanical trades has risen to about 20 percent (compared with an overall national unemployment rate of 9.9 percent), the industry expects to face a labor shortage in coming years as older workers retire and construction of planned nuclear power plants gets under way. Those projects could siphon away pipe fitters and welders, he said.

"We have to get the word out that not everybody's cut out for higher education and there's a lot of career opportunities in the building trades," Armistead said.

E-mail: tangel@northjersey.com

NEW JERSEY BRIEFS

Growing Watson looks at more space

MORRISTOWN — Generic drug maker Watson Pharmaceuticals Inc. said it will consolidate its administrative headquarters from Morristown to a larger office space in Parsippany in late 2010 or early 2011 to accommodate expected growth to 500 employees from about 250 now employed at the two locations.

The company signed a lease to occupy a full building in the Morris Corporate Center, expanding total space to 148,700 square feet from the 80,000 it has in Morristown and Parsippany. The agreement includes an option to lease more space in an adjacent building. The new site will be more accessible to Routes 80 and 287, Watson said.

The drug maker said it received incentives to retain employees and relocate from the New Jersey Economic Development Authority's Business Employment Incentive Program and the Business Retention and Relocation Assistance Grant program. The first grant is worth \$7.3 million over 10 years, the second, \$290,000 for keeping more than 200 jobs in the state.

— Carol Lawrence

Children's Place net income up 25%

SECAUCUS — The Children's Place Retail Stores Inc. said Thursday net income from continuing operations rose 25 percent during the first quarter from the same period a year ago. Net income was \$28 million, or \$1 a share, compared with \$23.7 million, or 80 cents.

Net sales increased 5 percent, while sales at stores open at least a year declined 0.5 percent. The company opened 16 stores during the quarter.

— Joan Verdon

Vitamin Shoppe prices stock offering

NORTH BERGEN — Vitamin Shoppe Inc., a direct marketer of vitamins, said Wednesday it has priced a secondary offering of 6.23 million shares of common stock at \$23.50 a share. Shares are being sold by certain stockholders, and Vitamin Shoppe will not receive any proceeds from the offering. The company went public in October.

— From The Record's staff

Englewood Cliffs building for sale?

ENGLEWOOD CLIFFS — The sale of a sprawling 410,000-square-foot building in Englewood Cliffs is "pending," according to CoStar, the commercial real estate information listing service.

The building at 111 Sylvan Ave. has been occupied by Citigroup, but its landlord, Piedmont Office Realty Trust, has been listing the office space as available.

According to CoStar, the asking price for the building is \$55 million, but the commercial real estate listing service does not list a sales price or prospective buyer. A commercial real estate broker associated with the building could not be reached.

— Andrew Tangel

Wayne office building under contract

WAYNE — An office building near the Willowbrook Mall in Wayne that had been in foreclosure is under contract for sale, according to CoStar, the commercial real estate information listing service. Built in 1986, the six-story office building at 65 Willowbrook Blvd. is 24 percent leased, according to CoStar. No prospective buyer was named, but the asking price is listed as \$6.5 million. Adam Silver, a commercial real estate broker with the brokerage Grubb & Ellis, declined to comment.

— Andrew Tangel

Trader calls its May 6 issues 'minor'

JERSEY CITY — Knight Capital Group Inc. said it had "minor" issues in trading on May 6, when the Dow Jones industrial average temporarily plunged almost 1,000 points.

The largest trader of U.S. shares said about 99.6 percent of orders that day were executed without interruption. Its computer systems never went down, according to a statement Thursday from the company. The Wall Street Journal, citing unnamed sources, said the surge in orders on May 6 led to delays and a breakdown in trading at the company.

— Bloomberg News

Wall Street: Market decline goes into overdrive

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grasping the possibility that the U.S. recovery could be in jeopardy. And many were wondering whether the stock market's big rebound since March 2009 was entirely justified.

"The economic recovery story has started to look like a mirage, and the new reality is a return to credit crunch conditions" like those seen during the financial crisis, said Tom Samuels, manager of the Palantir Fund in Houston. "If that's correct, stock prices are well ahead of economic reality."

Investors are concerned that the debt problems in European nations like Greece and Portugal will spill over to other countries, cause a cascade of massive losses for big banks and in turn halt the economic recovery in countries beyond Europe, including the U.S. They're also worried that China might take steps that will limit its economic growth, which would also affect the U.S. recovery. Analysts said the market is vulnerable to rumors about any of the major economies right now.

Investors appear increasingly

convinced that European countries will need to adopt stringent spending cuts to pay down their heavy debt loads, independent market analyst Edward Yardeni said. Such cuts would likely lead to a long economic slump for those countries, a prospect that investors may now be accepting as reality as they sell stocks and the euro, the currency shared by 16 European nations, Yardeni said.

The euro, a key indicator of confidence in Europe's economy, managed to rise to \$1.2496 in late after-

noon trading, a day after hitting \$1.2146, a four-year low. But its advance didn't help stocks.

"The drop in the euro is the initial phase of a long-term, multi-year economic decline in Europe," Yardeni said. "It shows a declining confidence in the workability of the EU [European Union] monetary union, and that's why their stock markets are down. It's starting to look like one of these tragic stories where one person falls through the ice, then everyone else rushes in to help and ends up drowning."

Bill: Jobless tax relief Casinos: Reeling from competition

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nation, instead of the second-highest at present.

Christie also wants the unemployed to wait a week before they can receive benefits and to deny benefits to employees terminated for misconduct.

Elsewhere, the governor's proposal is similar in the first year to the bill passed Thursday. But the two plans differ in subsequent years. Christie's bill would increase the amount levied on business by about the same amount as this year in the following two years.

The legislation passed Thursday does not address what happens after next year. On Tuesday, Sen. Fred Madden, D-Gloucester, said he would create a task force to look at how to return the unemployment fund to health.

The Senate backed the bill 28-9, and the Assembly approved it by 46-0 with 32 abstentions.

The Senate also confirmed the nomination of Harold "Hal" J. Wirths, a Sussex County freeholder and former small-business owner, to head the Department of Labor and Workforce Development. The Senate voted 37-1, with two abstentions.

E-mail: morley@northjersey.com

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Resorts posted a \$7 million gross operating loss for this year's first quarter, nearly double that of a year earlier. But Nicholas Ribis, a former co-owner of the casino who now runs it, is readying an offer to buy it himself.

A spokesman for Ribis declined comment. Paul O'Gara, a spokesman for the lenders, would only say that Resorts is still actively seeking a buyer.

■ TRUMP ENTERTAINMENT'S THREE CASINOS: A bankruptcy court has tentatively assigned the three gaming halls owned by Trump Entertainment Resorts to the company's bondholders, Donald Trump and his daughter Ivanka. But billionaire investor Carl Icahn and Dallas-based Beal Bank have appealed the decision, arguing that their rescue plan is more feasible and the bondholder/Trump plan is doomed. Regardless of who wins, Trump Ma-

rina Hotel Casino — the city's smallest with 728 guest rooms — remains for sale, dirt cheap. After a deal by Trump Entertainment to sell it to a former Donald Trump protégé for \$316 million fell through, the price fell to \$270 million. Now, analysts expect it to fetch less than \$75 million, if it sells at all; it reported a first-quarter gross operating loss of \$2.5 million, compared with \$858,000 a year earlier.

■ THE BORGATA: Because MGM Mirage decided in March to stop doing business in New Jersey rather than cut ties with the family of an Asian casino mogul the state felt was too closely linked with organized crime, it is selling its 50 percent interest in Atlantic City's top casino, the Borgata Hotel Casino & Spa.

Co-owner Boyd Gaming has the right of first refusal to buy MGM's interest. So far, no deal has been struck.

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