

Warehouse Sprawl: Plan Now or Suffer the Consequences

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New Jersey Future

EAC Network Conference 2021

April 10, 2021



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March 2021




Industries devoted to the movement and storage of goods provide jobs to nearly one out of every eight employed New Jersey residents. Thanks to growth in both e-commerce and the volume of trade at the Port of New York and New Jersey, the amount of land needed for warehousing has been growing. So far, most new distribution facilities have arisen on already-developed lands in the vicinity of the port that were previously used for something else, a legacy of New Jersey's industrial history. At least, this is true in New Jersey; the situation is different across the Delaware River in eastern Pennsylvania's Lehigh Valley, where warehouse development along I-78 has been consuming farmland at an alarming rate. This warehouse sprawl could easily creep back east across the border into western New Jersey if demand keeps growing as expected. In fact, a number of municipalities in Warren County are currently considering warehouse development proposals, tempted by the boon that such development represents to local tax bases. But leaving the fate of one of New Jersey's most

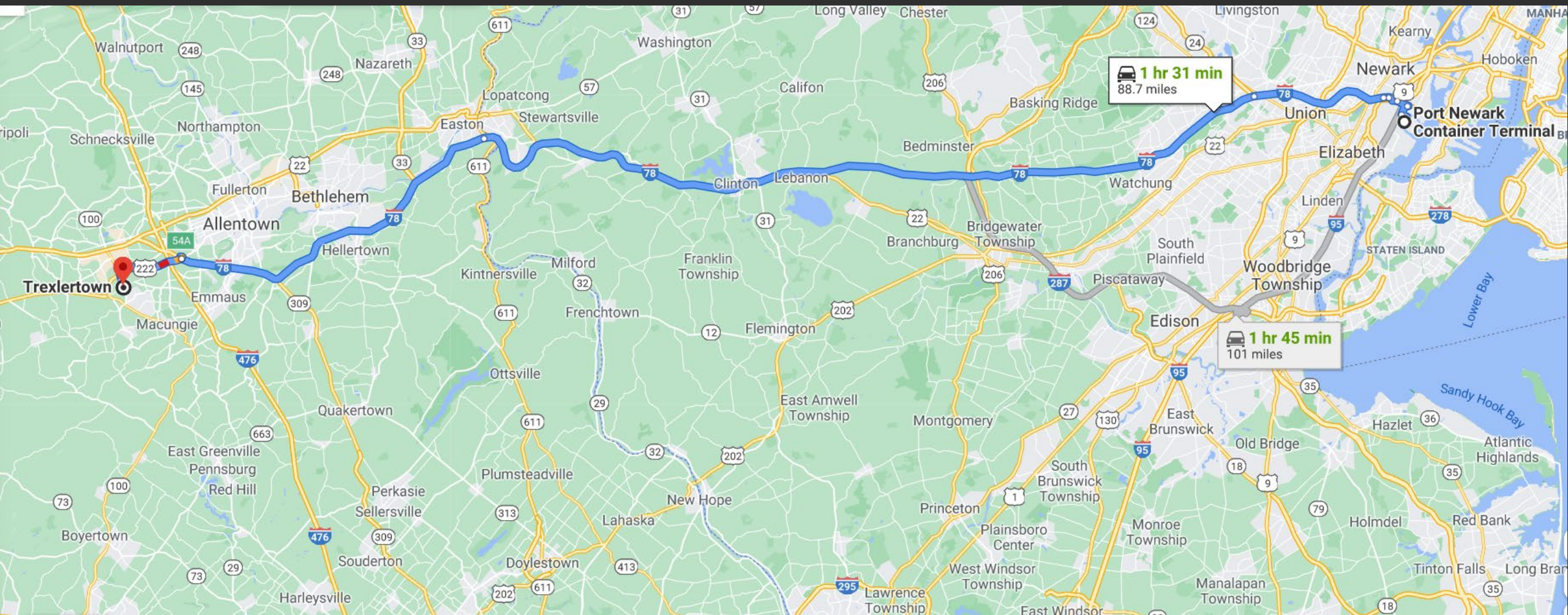
(More) Warehouse Growth Is Coming

- Global: Port of New York and New Jersey
- Local: e-commerce



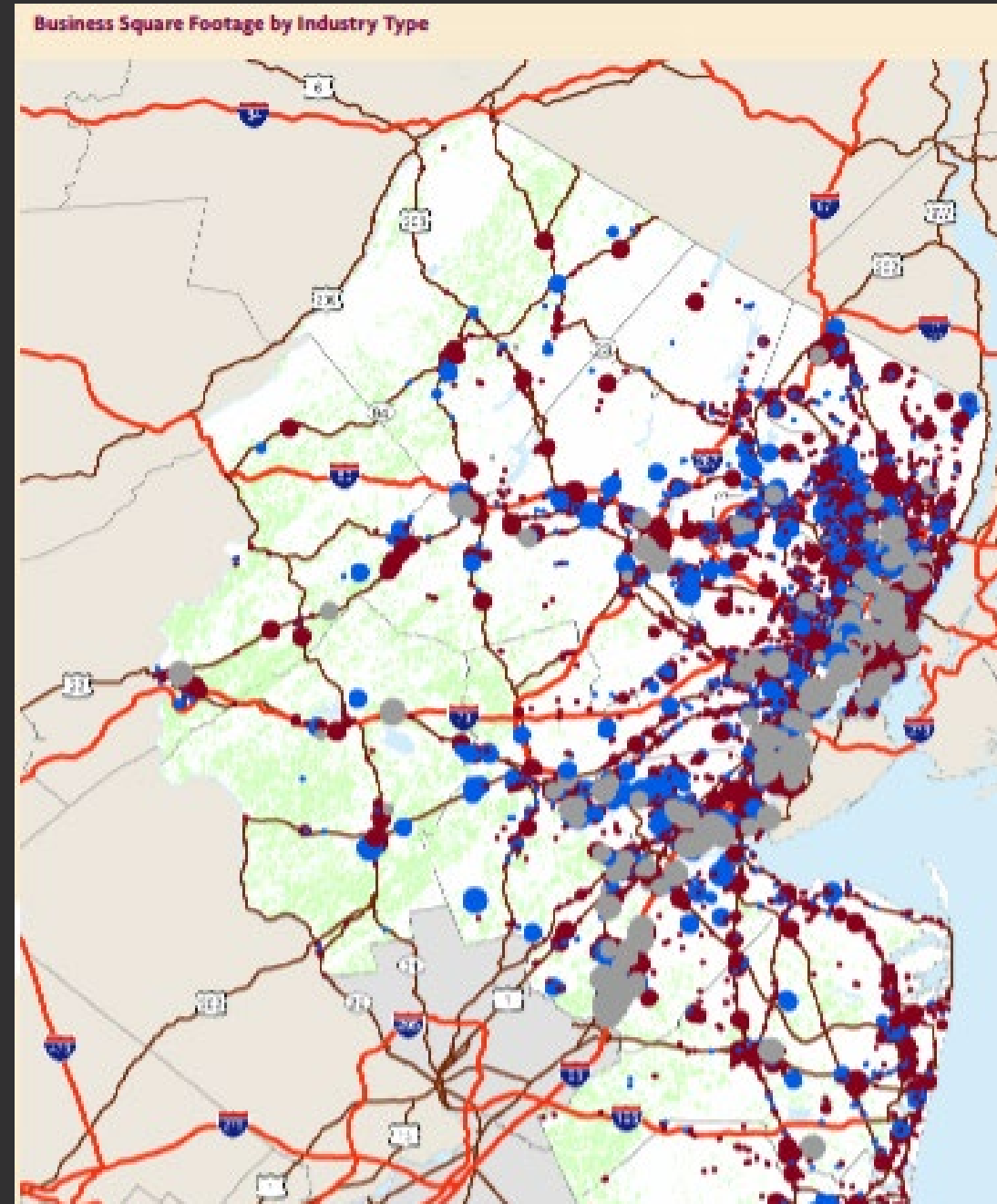
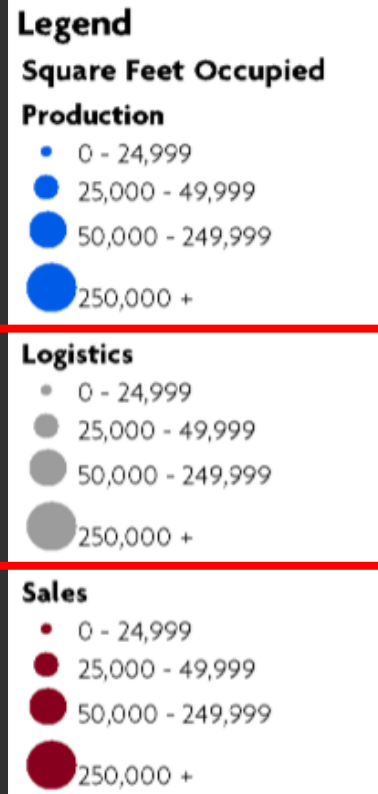
Port of New York and New Jersey

- Growth in US trade with South Asia (India, Pakistan) → faster to ship to East Coast than West Coast
- Port of New York and New Jersey is now 2nd busiest in the US – and easily accessible from eastern PA via 
- Industries devoted to the movement and storage of goods employ 12.2% (1 out of 8) of employed New Jersey residents
 - Highest among 50 states
 - National percentage is only 8.6%



Warehouse Redevelopment

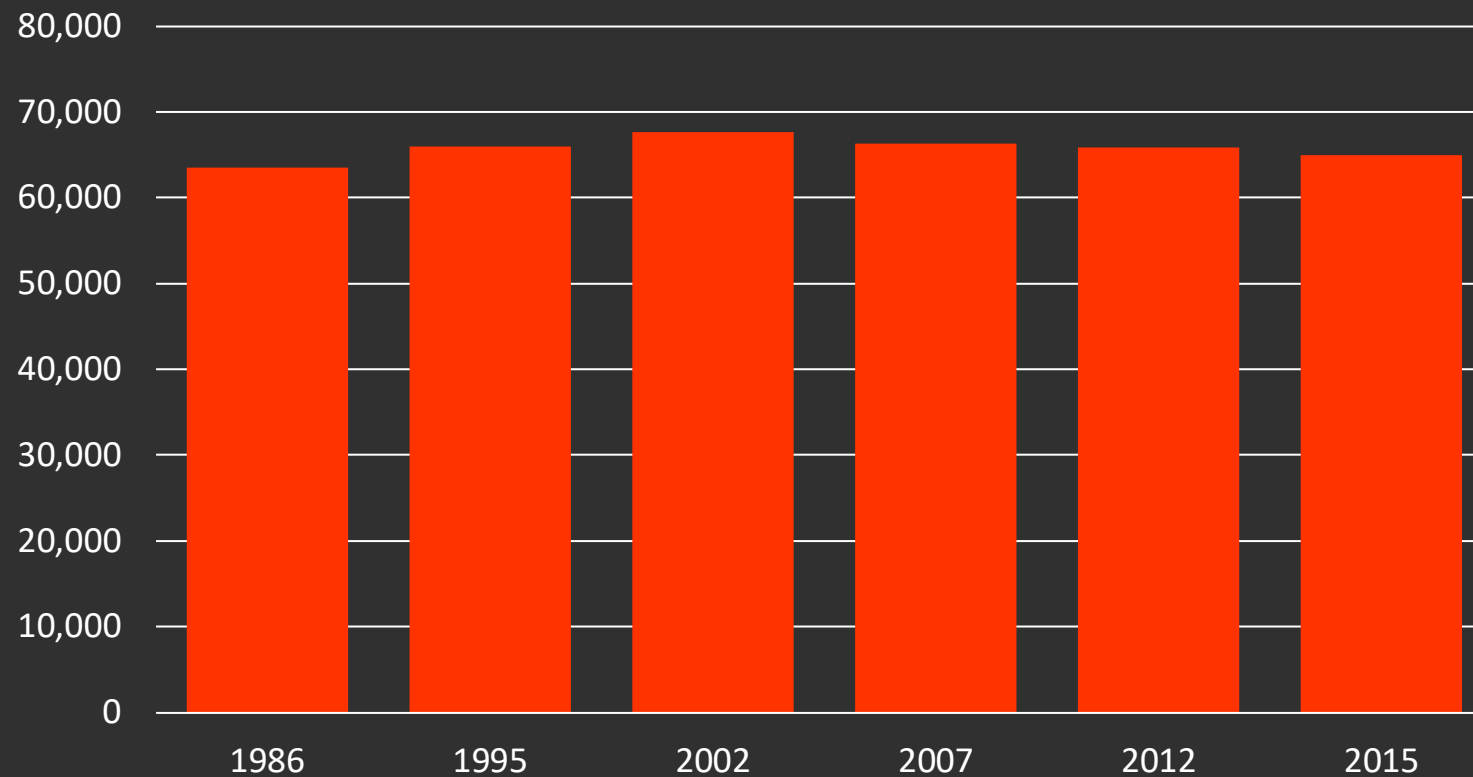
Much of NJ's new warehouse space has been constructed in redevelopment areas, on land that had previously been in use for some other purpose (often some other industrial use, like manufacturing)



Source: North Jersey Transportation Planning Authority

Industrial Redevelopment

NJ Industrial Acres



Warehouse Sprawl

lehighvalleylive.com

News

Old MacDonald had a farm? Not anymore. Latest census results confirm steady decline of Lehigh Valley's agricultural acreage

Updated Apr 18, 2019; Posted Apr 18, 2019

FARMLAND ACREAGE OPERATED

Northampton County

Lehigh County

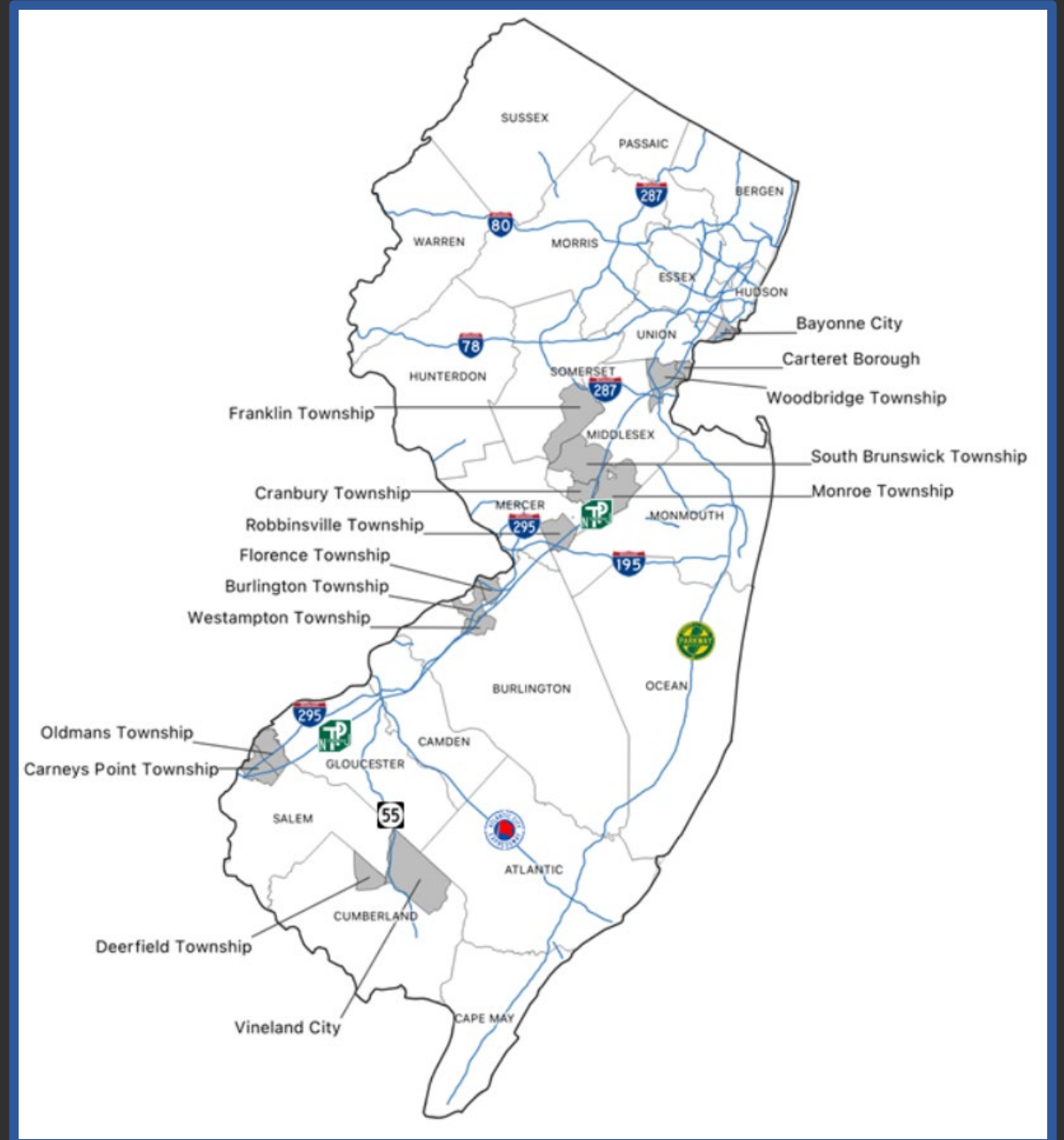
- | | |
|----------------|----------------|
| • 1997: 84,639 | • 1997: 97,500 |
| • 2002: 77,556 | • 2002: 91,304 |
| • 2007: 68,252 | • 2007: 84,643 |
| • 2012: 65,744 | • 2012: 76,331 |
| • 2017: 59,195 | • 2017: 74,511 |



Warehouse Sprawl

15 NJ municipalities where...

1. industrial uses account for at least 10% of all non-residential developed acres as of 2015
2. industrial acreage has increased by at least 20 acres from 1995 to 2015 and is greater in 2015 than in 2007 (indicating that growth in industrial land use is not confined to redevelopment areas)
3. employment in wholesale trade and transportation/warehousing accounts for at least 12.2% of total private-sector employment (the statewide average) or
4. has increased by at least 10% from 2003 to 2019 (indicating that the increase in industrial land use is most likely due to warehousing rather than other industrial uses)



Regional Perspective Is Needed

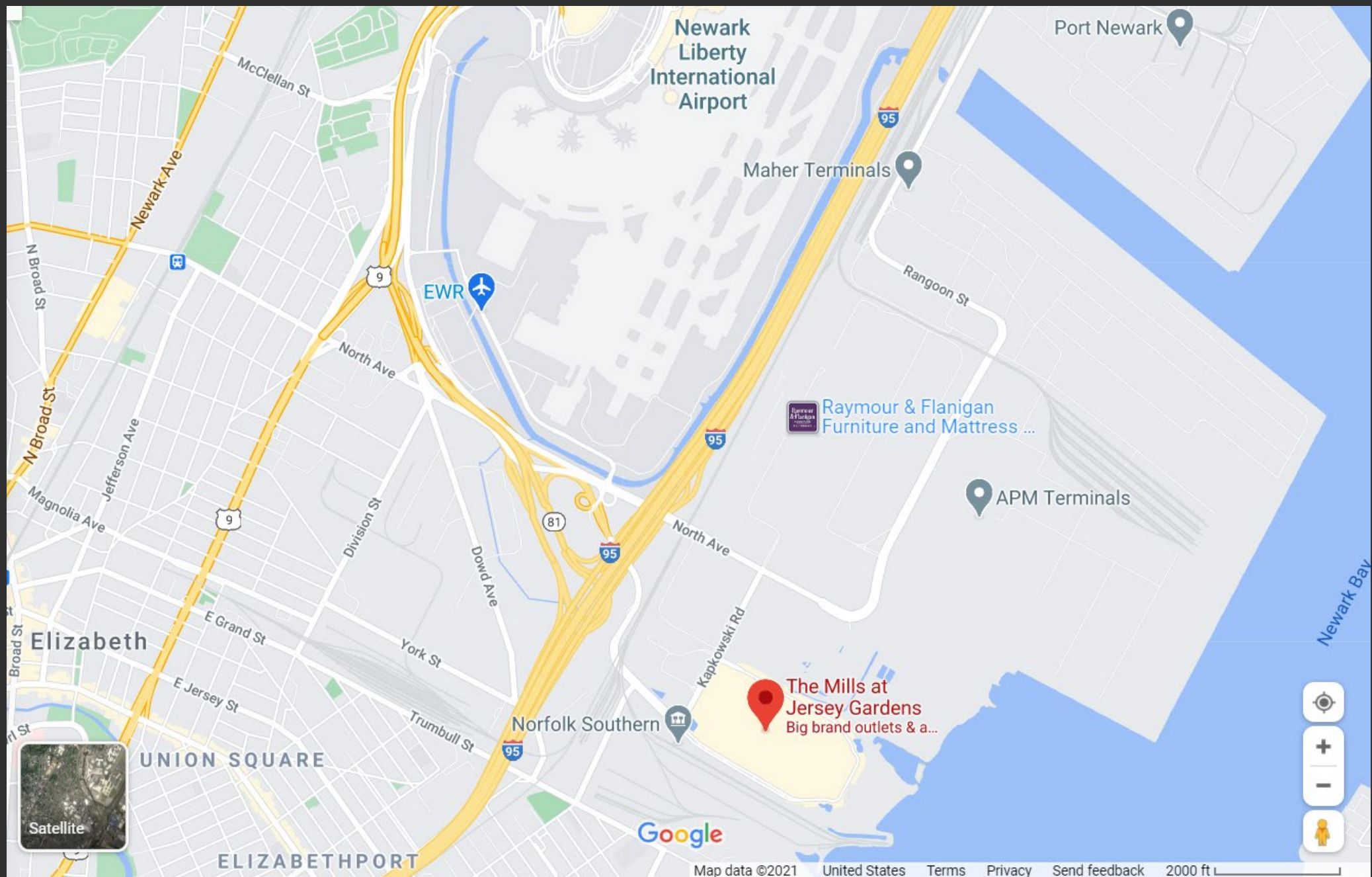
- Municipal leaders like warehouses because they help keep property taxes down – even if their town isn't the best place for them

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- Keep warehousing near the port as much as possible
 - Avoid letting port-adjacent redevelopment opportunities get used for non-port-related activities (e.g. Jersey Gardens Mall)



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 - Avoid letting port-adjacent redevelopment opportunities get used for non-port-related activities (e.g. Jersey Gardens Mall)
 - Minimize truck traffic in outlying areas

NJ Turnpike

Interchange 6 to 9

>>>>> Widening Program



Learn more about the NJ Turnpike Interchange 6 to 9 Widening Program by viewing the video: "NJ Turnpike, the backbone of NJ"

PLAY VIDEO>

Take a look at what's going on with the Widening Program. View recent aerial and ground photos.

VIEW GALLERY>

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> WIDENING PROGRAM OVERVIEW

> CONSTRUCTION

> Construction Updates

CONSTRUCTION PHASE

ON SCHEDULE AND MORE THAN \$200 MILLION UNDER BUDGET, the Interchange 6 to 9 Widening Program between Interchange 6 in Burlington County and Interchange 9 in Middlesex County is nearly complete. Northbound lanes opened Monday, October 27, 2014 and southbound lanes opened Monday, November 3, 2014. The Widening doubles capacity on a chronically congested 35-mile stretch of the roadway, adding three lanes in each direction between Interchanges 6 and 8A and one lane in each direction between 8A and 9.

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E-Commerce

- Warehousing becoming more decentralized and hierarchical
- Rise of “delivery centers” designed to handle “last-mile” deliveries
- These can be on smaller plots of land, opening up new redevelopment opportunities:
 - “Dead malls”
 - Obsolete office parks

Source: ROI-NJ

New distinction for Amazon: Largest employer in N.J.

E-commerce giant, which just announced 7K more jobs, will top 40K employees by end of year, believed to be highest for any company

By **Tom Bergeron** (New Jersey) - September 15, 2020



An Amazon facility. (File photo)

Regional Perspective Is Needed

- Keep warehousing near the port as much as possible
 - Avoid letting port-adjacent redevelopment opportunities get used for non-port-related activities (e.g. Jersey Gardens Mall)
 - Avoid using a prime redevelopment opportunity for warehouses when it could be better used for:
 - Transit-oriented development
 - Creating a town center for a suburban municipality that lacks one

Recommendations

- Involve regional governments, port officials, and shippers in planning for goods movement
- Encourage warehousing to continue using redevelopment sites
- Build up rather than out - “High Cube” warehouses
- Enable more goods to be shipped by rail

Environmental Co-Benefits

- Rail-served warehousing → less pollution, lower GHG emissions

Source: Association of American Railroads

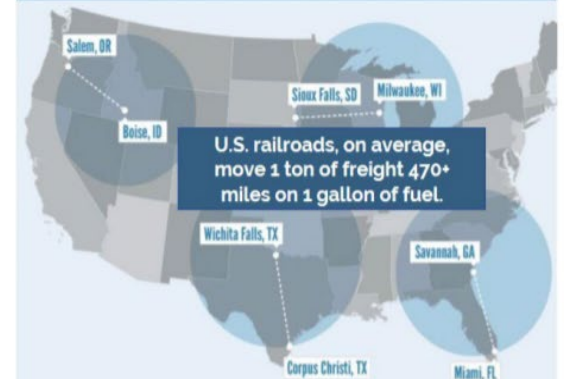
Freight Rail & Preserving the Environment

Preserving the environment and combatting climate change is a responsibility railroads take seriously. As a backbone of the U.S. economy for the last two centuries, freight railroads have evolved to provide efficient and advanced transportation solutions to American businesses and consumers.

Today's railroads continue to modernize their operations to meet tomorrow's challenges, including improvements that increase efficiency and benefit the environment.

- **Less Greenhouse Gas Emissions:** Greenhouse gas emissions are directly related to fuel consumption. Freight railroads account for just 0.6% of total U.S. greenhouse gas emissions, according to EPA data, and just 2.1% of transportation-related greenhouse gas emissions.
- **More Fuel Efficient:** Freight rail is ahead of other land modes of surface transportation when it comes to limiting its carbon footprint. U.S. freight railroads, on average, move one ton of freight more than 470 miles per gallon of fuel.
- **Sustainable Choice:** AAR analysis of federal data finds: If 25% of the truck traffic moving at least 750 miles went by rail instead, annual greenhouse gas emissions would fall by approximately 13.1 million tons; If 50% of the truck traffic moving at least 750 miles went by rail instead, greenhouse gas emissions would fall by approximately 26.2 million tons.

Railroads Are the Most Fuel Efficient Way to Move Freight Over Land



One train can carry the freight of hundreds of trucks, which reduces highway congestion**



Freight railroads are 3-4 times more fuel efficient than trucks, on average



Moving freight by train instead of truck reduces greenhouse gas emissions by up to 75%

Environmental Co-Benefits

- Rail-served warehousing → less pollution, lower GHG emissions
- Green roof and/or rooftop solar panels → cleaner energy, less stormwater runoff



Source: XeroFlor North America



Thank you!

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