

# LOCATION KEY TO COUNTY'S ROLE IN TLD

IT MAY BE AN OLD REAL ESTATE AXIOM, but for Gloucester County, it is "location" that has made it a major distribution, warehousing and logistical center on the east coast.

Halfway between New York City and Washington, DC, Gloucester County lies in close proximity to the ports of Philadelphia, Delaware and New York. You can reach 40% of the US population within one day's drive via major highways such as Route 295, the New Jersey Turnpike, Interstate 95. Add to that convenient access to the Commodore Barry Bridge, the Delaware Memorial Bridge, the Benjamin Franklin Bridge...and it's easy to see why Gloucester County is a distribution hotspot!



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According to the New Jersey Department of Labor and Workforce Development, transportation, logistics & distribution (TLD) employed 354,627 workers in New Jersey in 2010. This represents 11.3 percent of the state's private sector workers, a higher percentage than for the nation (8.9 percent). For that same year, Gloucester County employed 9,591 people in TLD and approximately 500+ in warehousing. Importantly, TLD contributed 48.6 billion current dollars to the state's gross domestic product (GDP) in 2009, and New Jersey accounted for 4.2 percent of the nation's GDP generated from TLD.

Although location definitely is important for warehousing, distribution and logistics, it would mean nothing without the supportive and cooperative county and local government. Gloucester County has long been known as business-friendly, as has many of its local municipalities.

## FROM FARMLAND TO FREEZERS

In the early 1970s, the land in Gloucester County comprised mostly farms. There was – and still is – quite a lot of land available; more so than, for example, in Philadelphia and surrounding suburbs, in northern Delaware, or in northern New Jersey.

So, when Charlie Walters and his partner

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considered creating an industrial complex, Gloucester County looked like a great location. In 1970, State Mutual Life Assurance Company assembled and purchased 55 farms. Within five years, the utility infrastructure was in place and the area was ready for construction. The Pureland Industrial Complex – one of the largest industrial parks on the east coast – was born.

- Today, Pureland is a 3000-acre center with more than 100 buildings covering 16 million-square-feet of space. And, according to Mr. Walters, the 180 tenants employ about 8,500 people.

What kind of tenants? Companies such as Sears, Freightliner, Drugstore.com, PODS, and Home Depot call the Pureland Industrial Complex home. But Pureland is not alone. There are more than 20 industrial parks covering in excess of 6000 acres in Gloucester County.

- The combined industrial square footage

in Gloucester County comprises 40 percent of the market in the 11-county greater Philadelphia region.

Places like the Commodore Business Center in Swedesboro, MidAtlantic Corporate Center in Thorofare, the LogisticCenter in Logan Township, I-295 Industrial Center in Westville, and Route 55 Industrial Center in Glassboro. USA Wood Doors, Jack & Jill Ice Cream, UPS, Nine West and American Expediting are located in these centers throughout Gloucester County.

A veritable Who's Who of firms of national prominence now call Gloucester County "home" for manufacturing, assembly, warehousing, distribution, research and development, and office space. But, in the early days – the 1970s and 1980s – most of the companies interested in Gloucester County as a key warehousing and distribution site were from the west coast, like California. According to Charlie Walters, they were looking for east coast distribution sites to complement locations in Los Angeles, Chicago and spots in Texas. "During the first 15 years or so," says Walters, "no one from the Delaware Valley was interested. Our big competition was in the Bucks (County) Business Park 65 miles north of Pureland."

Walters says that in the 1980s, the Bucks Business Park changed into a flex business

and local companies began to see the viability of Gloucester County as a warehousing and distribution center. It helps that there are more than 600 food processing and manufacturing companies located within a 50-mile radius, according to the Gloucester County Department of Economic Development.

#### KEEP 'EM MOVING

Ted Dahlburg, Manager of the Office of Freight and Aviation Planning for the Delaware Valley Regional Planning Commission (DVRPC), calls Gloucester County's freight facilities and activities "agile and formidable." In a recent "County Freight Scan" conducted by Dahlburg and his team for the DVRPC, analysts say that while worldwide distribution patterns are "unpredictable and subject to rapid change," the businesses, practices and facilities in the County "exhibit a remarkable

ability to evolve and flourish."

- In fact, according to the DVRPC, Gloucester County is "highly oriented toward roadway, courier, and warehousing activity" and, along with concomitant support



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activities, these account for "93 percent of the economic output from freight-related transportation in the county."

Gloucester County's Freight Scan notes that the county's extensive transportation system is "well-suited" for freight shipments. Between I-295 and the New Jersey Turnpike, there are 15 interchanges that provide local access and egress. Moving freight via truck is the most prominent means of transporting goods in the County, on an average day logging approximately 520,000 miles according to DVRPC estimates

Local rail freight service also is available from Conrail (jointly owned by CSX and Norfolk Southern) and SMS Rail Lines – a "short line" railroad operating within the Pureland Industrial Complex, at the Paulsboro Refinery in Gibbstown and servicing Sunoco in Westville.

According to John McCreavy, Sales and

Business Development, at SMS Rail Lines, thousands of rail cars travel through Pureland's 6.5 miles of track every year. SMS provides service seven-days-a-week, 24-hours-a-day, because "that's what our customers rely on and demand."

"Say a customer – US Food Service – places an order for Applebees for 3000 cases of ketchup and sauces in Modesto, CA," explains McCreavy, "they put it in a railcar and in just a few days, we have it here in the warehouse. The orders are picked and sent out. If it were sent via truck, you would need five trucks because it's 75 pallets, and it would take 10 to 12 days."

"We partner with other modes of transportation too," explains McCreavy, "so customers can use rail, it's one of the least expensive modes of land transportation."

Road and rail are not the only means for moving freight into and out of Gloucester County.

Existing port facilities support ocean-



going ships hauling bulk commodities. In 2010, according to the DVRPC, 170 ships from overseas came to local port facilities – and this is set to expand further with the new Port of Paulsboro. The project – the result of a cooperative alliance between the South Jersey Port Corporation, the borough of Paulsboro and the Gloucester County Improvement Authority – will include a modern 190-acre port with 1,500 linear feet of deepwater berths, a solar power facility and an industrial park. This is the first new marine terminal facility to be located on the Delaware River in 50 years. Expectations are that the new port could bring as many as 2,000 new jobs to the area.

#### COOPERATION IS CRITICAL

If location is the key, cooperation is critical to seal the deal.

“Gloucester County is a business-friendly community,” says Pureland’s Charlie Walters. “Everyone is cooperative – freeholders always are available to meet with a client. They understand how important that can be to closing a deal and bringing in more business to the county.”

According to Lisa Morina, Director of Business and Economic Development for Gloucester County, the County understands how important it is to coordinate with local governments as well as commercial real estate developers and site selection teams to find the best location for businesses interested in coming to the area. “We work with them to find appropriate space to meet their criteria,” explains Morina, “and then assist them to get state incentives, loan packages, check on any permits they may need, and work with them to align the workforce with their hiring needs.”

Attracting business to the County is a multi-pronged effort according to Morina. Although the County places articles and does some advertising in national media, much of the work is done through relationships that the County has developed over



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Charlie Walters, Pureland

the years. She said that developing and maintaining relationships with people in the industry as well as in other government and quasi-government organizations is key – specifically groups like Choose New Jersey and Select Greater Philadelphia. “We often receive referrals from these groups about companies interested in coming to Gloucester County.”

What attracts a company to Gloucester County? “It greatly depends on the company and the end goal,” explains Morina. She says that some companies are looking for a particular set of skills and experience in a labor force. For others, it goes back to location – they want to be within X number of miles from their markets – and some want

rail access. “In some cases, we might have just the building they need, with the perfect square footage.”

#### POISED FOR GREATER GROWTH

Ted Dahlburg at the DVRPC is “bullish” on Gloucester County. “Great things are happening there,” says Dahlburg, “it has a state-of-the-art freight village, the new port coming to Paulsboro, plus vital, regional assets, each with a potential to flourish even more.” Plus, according to Dahlberg, the County has been willing to “reinvent itself”.

John Gaudet, Vice President of Client Relations at RLS Logistics would agree with Dahlburg. “Gloucester County is a friendly place to do business. Land is relatively inexpensive, the supply and quality of labor is good and transportation is outstanding. It’s such a strategic location.” The County, according to Gaudet, can support RLS Logistics’ business for warehousing, distribution and packaging. “We have warehouses for our freezer storage and we can send less than a truck-load from here to 48 states.”

Gloucester County anticipates greater growth and expects to attract even more

business going forward. “For the most part, the County has continued to be in a decent position. The vacancy rate is still low for the region,” explains the County’s Lisa Morina, “and we have room to build.”

Dermody Properties is one of the real estate developers and property management firms with buildings and land in Gloucester County. Gene Preston, Partner in the Eastern Region for Dermody, says his company has 300 acres of available land in Logan Township ready for development. “We see ourselves as coming out of the recession,” says Preston, “it’s a little like the tortoise versus the hare – slow and steady.” He says there is still “good demand” for space in the area.

“There are a lot of obstacles to developing industrial space,” says Preston, “land availability and cost, zoning restrictions – there are a complex set of factors. But Gloucester County, particularly Logan Township, is a great community. They are pro-growth, pro-business and the government has a long history of working with companies.” Preston says that Dermody Properties’ facilities in Logan Township are in a “well-designed park with modern buildings that have sufficient land for moving and parking trucks.” He also noted that the addition of foreign trade zone status has been “very appealing to companies and have helped us attract a good tenant roster.”

Liberty Properties manages buildings in the Commodore 295 Business Park and in the Pureland Industrial Complex. “Gloucester County has served us well,” says Mark Goldstein, Liberty’s Vice President and City Manager of the New Jersey region. “It’s well-located, with access to so many highways. It is an exceptional location, particularly for companies serving the Greater Philadelphia area and for the whole east coast. Liberty fully intends to grow our footprint in Gloucester County.”

Put it all together - and it's clear that Gloucester County, already a major player in TLD, is poised for growth and even greater success in the years ahead! ■