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Lehigh Valley a top 25 U.S. location for warehouses, study says

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The Lehigh Valley is among the top 25 locations nationwide for new warehouses, a New Jersey-based business location consulting company says in a new report. (*lehighvalleylive.com file photo*)

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The Lehigh Valley is among the top 25 locations nationwide for new warehouses, a New Jersey-based business location consulting company says in a new report.

The Boyd Co., based in Princeton, ranked the Lehigh Valley among regions near New York, Los Angeles and Seattle in its 2015 corporate site selection study.

The Lehigh Valley itself is considered a New York-area location, with the region's port just 80 miles away, the Boyd study says. The Lehigh Valley also is highly ranked because of its proximity to Philadelphia and access to rail, company Principal John Boyd said.

The Boyd study officially names only **Bethlehem** on its list of the country's top 25 logistics-friendly cities but considers a city to include a 50-mile radius and therefore the entire Lehigh Valley, Boyd said.

"Bethlehem has really asserted itself as a premier place for distribution," Boyd said.

In addition to rail and port proximity, the Boyd study also considers both the cost of constructing and operating a warehouse. With those factors, Bethlehem ranks 12 out of 25, with an annual operating cost of \$12.9 million for a 150-employee warehouse. Stoughton, Massachusetts - outside of Boston - ranks the highest on the list with a \$15 million annual operating cost while Chesterfield, Virginia - outside of Richmond - is the lowest at \$11.3 million.

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In the New York region, Bethlehem's annual operating cost is the lowest, which is a major asset for the region, The Boyd Company said.
Courtesy image

In the New York region, Bethlehem's annual operating cost is the lowest, which is a major asset for the region, Boyd said. The other top 25 locations in the New York region - Newburgh, New York and the Meadowlands and Bordentown, New Jersey - are all higher.

"With all the success (Bethlehem has) had, you've been able to maintain cost competitiveness," Boyd said.

Lehigh Valley Economic Development Corp. President and CEO Don Cunningham said many business location

companies consider the Lehigh Valley prime for e-commerce warehouses. The e-commerce warehouses - also known as logistics or fulfillment sites - are different from typical warehouses in that they employ many more people, **such as the 1,200-person Zulily warehouse coming to Bethlehem**, Cunningham said.

"The Lehigh Valley is on the national map as one of the major spots for what they call intermodal transportation," he said. "One-third of the consumers in the United States are within a day's drive of the Lehigh Valley."

Local growth in the transportation sector in recent years has been second only to health care, Cunningham said. The sector employees almost 20,000 people in the region, with 5,000 of those jobs coming in the last four years, he said. Many thousands more are expected to come online soon, with Zulily, **FedEx Ground in East Allen Township** and a second Walmart distribution center in Bethlehem, Cunningham said.

The growth in the field also has led to higher wages, up from \$10-\$12 an hour a few years ago to \$15-\$16, Cunningham said. Boyd also noted a growth in local industry wages.

While warehouses used to be looked upon unfavorably as an economic development generator in many communities, that is changing, Boyd said. In recent years, most new warehouses also include some higher-paying office jobs and some even incorporate later-stage assembly, he said.

"The hottest industry right now is distribution, for both high-paying and low-paying jobs, and they pay a tremendous amount of property taxes," he said.

Even facilities with only typical warehouse jobs are good to attract because companies often consider expanding near existing locations first, Boyd said.

"It's forging a relationship with these major corporations," he said.

The Boyd Company has worked with many companies that have opened warehouses in the Lehigh Valley and are working with some now currently considering facilities.

"There are really, really exciting ones, ones that incorporate final assembly," Boyd said.

*Lynn Olanoff can be reached at lolanoff@express-times.com. Follow her on Twitter [@LynnOlanoff](https://twitter.com/LynnOlanoff). Find **Bethlehem news on Facebook**.*

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