

# NJPA REAL ESTATE JOURNAL

Friday, March 23, 2007

COVERING THE STATES OF NEW JERSEY, PENNSYLVANIA, DELAWARE & MARYLAND

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## Propak Logistics moves into Lewistown, Mifflin Cty.: Competitive advantages for distribution

Central Pennsylvania's Mifflin County and its neighbors, Centre, Blair, Huntingdon, Juniata and Perry are becoming attractive for logistics management and distribution operations. "In 2005 we saw an increase in demand at the facilities we own and manage in Reading and York. Now, that same user profile, less location sensitive with more commodity-based product, is migrating to the counties served by RT99 and 322, which emanate from I-81," said Mark Bobb, Facilities Director for Brasler Properties. As rental rates rise for industrial space along the I-81 corridor, labor availability shrinks and trucking rates increase. As a result, the counties situated between I-81 and I-80 are becoming very attractive for particular commodity warehousing and distribution and have the ability to provide one-day turnaround to the Northeast market under the new Federal trucking regulations.



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Propak Logistics Inc. leases 160,000 s/f at Greater Lewistown Corporate Center (GLCC) in Mifflin County PA. Propak refurbishes and stores pallets for significant distribution accounts throughout the country. Due to the cyclical movement and low margins for this commodity storage requirement, Propak needed space within the one-day trucking turnaround to the region's metropolitan markets, removed from the higher rents closer to the I-81 corridor. In Lewistown, Propak enjoys easy access to I-80 and I-81, while achieving lower operating costs through less costly lease rates, lower wages for trucking and material handling, an available quality workforce and healthy competition among qualified trucking firms.

**Compelling factors:**  
**The Specifics**  
Improved Accessibility

- RT 22 bypass through Lewistown, 322 (4) lane highway improvements, RT 99 all linking between I-81 corridor to the South and the I-80 corridor to the North.
- Region is within the one-day turnaround under the new federal hours of operation for trucks delivering to the New York, Philadelphia, Baltimore and Washington metropolitan areas with a return haul.
- Rail service is provided at GLCC and other facilities by aggressive local short line operators. The Norfolk-Southern main East/West line bisects the region through Lewistown.

- More affordable real estate**
- Class A space along I-81, the average rental rate is

\$3.92 /s/f NNN (Source: C&W Industrial Overview of the PA I-81/I78 Distribution Corridor). In the counties described above, the rate is closer to \$3.25 /s/f NNN, resulting in cost savings exceeding 20% when factoring in NNN's.

### Lower Wage Rates for Trucking and Material Handling Coupled with Greater Labor Availability

- At \$16.23 per hour, wage rates for trucking in the Mifflin County/Central PA region are very attractive compared to the Counties along I-81, where wage rates exceed \$19.00 per hour (Source: PA Center for Workforce Information).
- Averaging \$13.40 per hour, wage rates for experienced fork lift drivers in the Mifflin County/Central PA region compare very favorably to their counterpart counties along I-81 which average \$14.12 per hour (Source: PA Center for Workforce Information).

The quality and availability of labor remains high in the Mifflin County/Central PA region. The counties along I-81 have an unemployment rate near 4%, while the current unemployment rate in the subject region sits at 6%.

### Availability of Qualified Transportation Companies

- As the result of significant manufacturing relocating from the Mifflin County/Central PA region, transportation employment has seen significant growth. According to the US

Dept of Labor, transportation employment has risen more than 25% in the Mifflin Cty./Central PA region over the past eleven years, while the I-81/Harrisburg/Cumberland County market has grown by 14% during the same period. This means that Mifflin County/Central PA drivers commuting to work in the I-81 market pass along the additional 1 hour + costs to the end users. Users in the local market will realize cost savings as well as local transport service providers.

- With the recently announced relocation of CNH and other manufacturers, the solid growth of the trucking industry in this region is projected to continue.

- Trucking firms based in the Mifflin County/Central PA region serve both the Northeast corridor and the nation. These companies include Ward Trucking LLC., Smith Transport, MCS Transportation, Zimmermann Truck Lines, Class 1 Transport and Landstar, among others.

### Conclusion

Over time it is anticipated that more users and 3PL's will locate in the Mifflin County/Central PA region. Affordable qualified labor is available, one-day turnaround metropolitan area markets can be serviced, real estate operating costs are lower and numerous quality trucking companies are available locally. ■