

WEST SHORE

E-COMMERCE FUELS WAREHOUSE BOOM



The first warehouse — a 975,000-square-foot building the size of 27 football fields — in the new 200-acre Matrix Global Logistics Park Staten Island is expected to be complete in September. Tracey Porpora, Staten Island Advance

Warehousing businesses are thriving on the West Shore, creating hundreds of jobs

Tracey Porpora porpora@siadvance.com

While longtime big box retailers, like Toys R Us, shutter their brick-and-mortar locations nationwide, Staten Island is on the forefront of attracting warehousing business to the borough's West Shore.

And the result is a multitude of jobs being created in warehouses that are taking shape in places like the new 200-acre Matrix Global Logistics Park in Bloomfield.

"Warehousing is one of the hottest sectors of the market right now," said Scott Plasky, first vice president of the Manhattan-based Marcus & Millichap, who has closed more than \$60 million worth of retail properties on Staten Island.

"People believe the future is e-commerce and home delivery, and in companies that can get things to you in 24 hours."

As a result, many major companies are investing in mega logistical facilities to be able to get products to consumers faster than ever before, Plasky said.

AMAZON AND IKEA

And that's exactly the type of businesses that are attracted to the borough. Staten Island will soon be home to an Amazon fulfillment center and an Ikea Warehouse.

The \$100 million, 855,000-square-foot Amazon fulfillment center will be open for business on Staten Island's West Shore in Matrix Global Logistics Park in the fall.

In addition, Swedish furniture giant Ikea has signed a lease to open a 975,000-square-foot warehouse distribution center in Matrix Global Logistics Park by the end of the year.

MORE JOBS

With logistic development comes an influx of jobs to the borough.

With Ikea and Amazon already signed, Matrix Global Logistic Park in Bloomfield will create an estimated 2,000 to 4,000 new jobs on Staten Island, said Joseph S. Taylor, president and CEO of the Cranbury, New Jersey-based Matrix Development Group.

Amazon alone is creating 2,250 of those estimated 4,000 full-time positions in its new Staten Island fulfillment center. And Ikea will create 200 jobs.

"In a borough like Staten Island, which is a solid middle-class borough, the West Shore industrial zone is a great

model for how to rejuvenate the middle class with warehousing and retail jobs in large facilities," said Abraham Unger, who holds a doctorate degree, and is an associate professor and director of urban programs in the Department of Government and Politics at Wagner College, Grymes Hill.

And the influx of jobs will likely attract more people to relocate to the borough.

"If Amazon comes in with over 2,000 jobs that's a substantial increase to help the employment rate on Staten Island. And I'm guessing that the vast majority of those people will either move to Staten Island or will already be living on the Island," said Richard LaRocca, who holds a doctorate, and is assistant professor of finance at Wagner College.

BIG BOX IN TROUBLE

While companies invest their money in warehousing that will facilitate online shopping operations, the decline of big box retail is being seen across the country.

"The millennials don't care about going into stores all that much. They'd rather have something [they purchase online] in a day or two. They are the most tech-savvy generation America has ever seen," said LaRocca.

Over the last two years, many big box retailers, like Sears, Kmart and more have shuttered stores and/or filed for bankruptcy.

One of the latest retailers to file for Chapter 11 is Toys R Us, which is in the process of liquidating the inventory of all of its 735 U.S. stores.

One of the reasons for this is that people are seeking a different shopping experience, whether it's at small shops or online.

"Not sure people want that large big box experience anymore. Because of Starbucks, and other trendsetters, people want a more European-style shopping experience," said Unger, who is also author of the book "Business Improvement Districts in the United States: Private Government and Public Consequences," and the upcoming book,

"The Death and Life of the American Middle Class: A Policy Agenda for American Jobs Creation."

Another factor affecting big box retail is high-priced rents for large spaces.

"Rents are high. Retail to cover the rents when you're dealing with an online market can be a challenge," said Unger.