

**WHITE** **DISTRIBUTION** **PAPER**



**NORTHEASTERN PENNSYLVANIA  
IS A LEADING LOGISTICS HUB  
ALONG THE EASTERN  
SEABOARD**

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Source: Internet Retailer



## WELL KNOWN COMPANIES WITH **MAJOR DISTRIBUTION CENTERS** IN NORTHEASTERN PENNSYLVANIA

|                                  |                       |                            |                    |
|----------------------------------|-----------------------|----------------------------|--------------------|
| <b>Adidas</b>                    | <b>CVS Caremark</b>   | <b>Michaels</b>            | <b>Reynolds</b>    |
| <b>Amazon.com</b>                | <b>Hudson's Bay</b>   | <b>NBTY</b>                | <b>Samsung</b>     |
| <b>American Eagle Outfitters</b> | <b>ID Logistics</b>   | <b>Neiman Marcus Group</b> | <b>Spreetail</b>   |
| <b>AutoZone</b>                  | <b>Isuzu</b>          | <b>Patagonia</b>           | <b>T.J. Maxx</b>   |
| <b>Big Lots</b>                  | <b>J.P. Boden</b>     | <b>Signify (Philips)</b>   | <b>True Value</b>  |
| <b>Bimbo Bakeries</b>            | <b>Lennox</b>         | <b>The Home Depot</b>      | <b>Tyson Foods</b> |
| <b>Chewy.com</b>                 | <b>Lowe's</b>         | <b>Rakuten</b>             | <b>Walmart</b>     |
| <b>Costco</b>                    | <b>McLane Company</b> | <b>Pepsico</b>             | <b>Wegmans</b>     |

Northeastern Pennsylvania (NEPA), including the cities of Scranton, Pittston, Wilkes-Barre, and Hazleton, has become one of the leading logistics hubs along the Eastern Seaboard. The area has become a hotbed for direct-to-store, e-commerce, and last mile distribution operations.

This analysis of NEPA as a location for distribution centers was prepared by Mericle Commercial Real Estate Services, the largest privately-owned developer of industrial, flex, and office space along Pennsylvania's I-81 Corridor. Mericle lists firms such as Amazon.com, American Eagle Outfitters, Chewy.com, CVS Caremark, FedEx Logistics, ID Logistics, Isuzu, J.P. Boden, Lowe's, Michaels, NBTY, Pepsico, Rakuten, Reynolds Consumer Products, The Home Depot, The Neiman Marcus Group, and XPO Logistics, among its many distribution center tenants and clients.

For more about Mericle, visit [mericle.com](https://www.mericle.com).





# • Transportation

A MAIN DRIVER OF NEPA'S GROWTH AS A **MAJOR DISTRIBUTION HUB** IS ITS PROXIMITY TO THE LARGE POPULATION CENTERS IN THE NORTHEAST U.S.

**CLOSE TO 48 MILLION PEOPLE LIVE WITHIN A FOUR-HOUR DRIVE FROM THE CENTER OF NEPA.**

**ACCESS TO CONSUMPTION ZONES FROM CENTER OF NEPA**

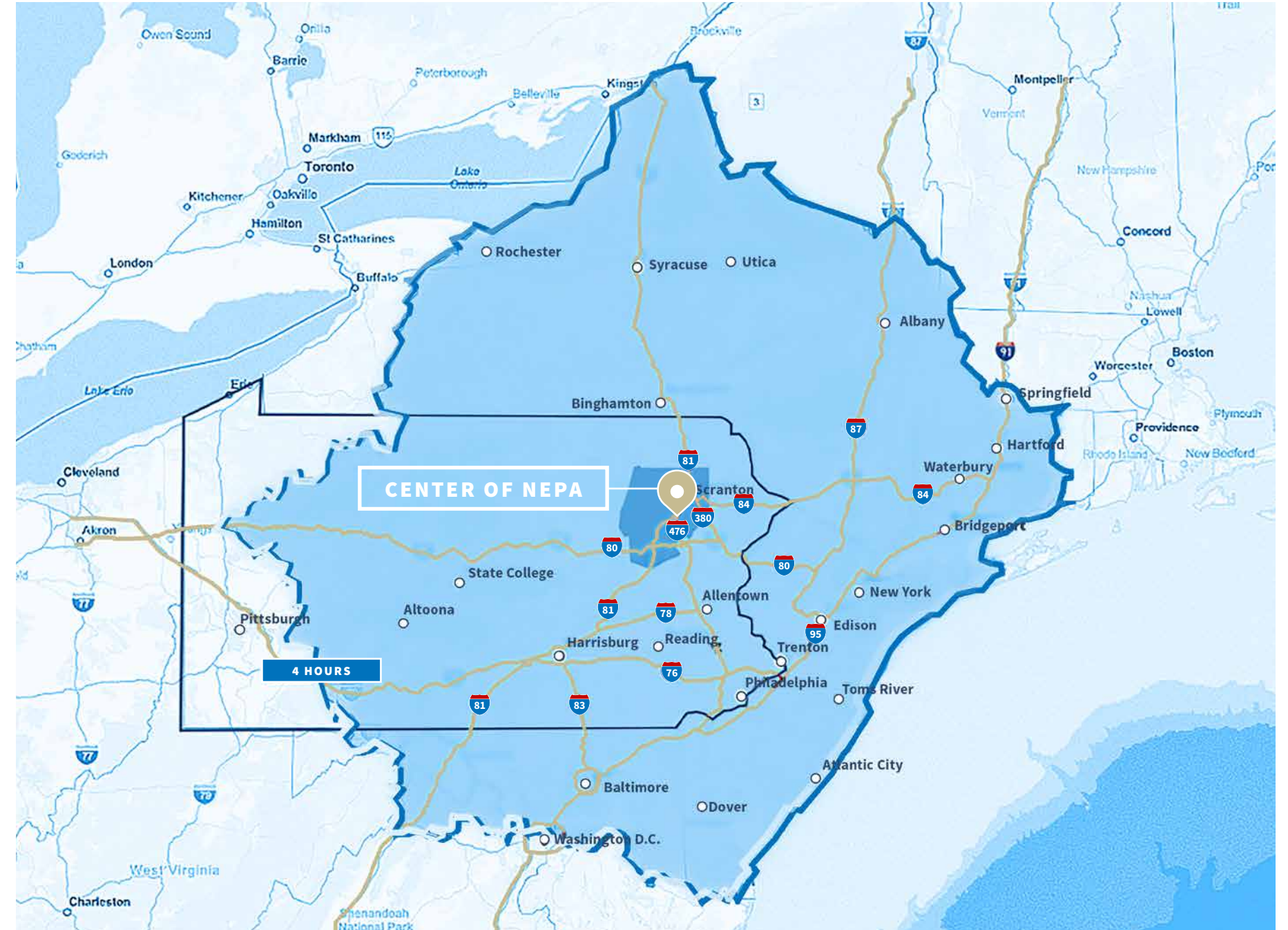
| RADIUS    | POPULATION  |
|-----------|-------------|
| 100 Miles | 16,244,489  |
| 200 Miles | 52,949,344  |
| 300 Miles | 72,254,189  |
| 400 Miles | 82,866,386  |
| 500 Miles | 100,379,037 |



Source: Esri

**CITIES WITHIN A FOUR-HOUR DRIVE FROM NEPA**

| CITY              | DRIVE TIME |
|-------------------|------------|
| Allentown, PA     | 1:09       |
| Binghamton, NY    | 1:15       |
| Newburgh, NY      | 1:46       |
| Philadelphia, PA  | 1:47       |
| Harrisburg, PA    | 1:48       |
| Reading, PA       | 1:55       |
| Trenton, NJ       | 2:04       |
| Edison, NJ        | 2:09       |
| Wilmington, DE    | 2:09       |
| State College, PA | 2:11       |
| New York City     | 2:12       |
| White Plains, NY  | 2:15       |
| Syracuse, NY      | 2:17       |
| Altoona, PA       | 2:45       |
| Waterbury, CT     | 2:47       |
| Dover, DE         | 2:53       |
| Albany, NY        | 2:54       |
| Bridgeport, CT    | 2:58       |
| Baltimore, MD     | 2:59       |
| Hartford, CT      | 3:14       |
| Rochester, NY     | 3:40       |
| Arlington, VA     | 3:46       |
| Washington D.C.   | 3:59       |



Source: Esri, mapquest.com

## ROAD ACCESS

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**NEPA is in the center of the Boston/Washington Corridor and is at the confluence of five major highways.**

Interstates 81, 80, 84, 380, and 476 meet here and provide excellent access to firms wishing to serve Maine to Virginia and west to Ohio. I-78 can be reached in less than one hour.

Interstates 81, 80, 84, and 380 are toll-free in NEPA, and there are no major bridges or tunnels in the region to delay truck departures or arrivals.

The region's main highway, I-81, runs from the US/Canadian border in the North to Knoxville, Tennessee in the South. I-81 intersects several major East-West highways, which include I-80 (access to New York City), I-78 (access to the Lehigh Valley and New Jersey), I-84/I-90 (access to Boston), I-76 (access to Pittsburgh and Philadelphia), I-70/I-270 (access to Washington DC), and I-83 (access to Baltimore).

NEPA is quickly accessible from major seaports along the East Coast. For example, estimated travel times from the nearest ports to the center of NEPA are as follows: Port of Philadelphia = 1:53, Port of New York and New Jersey = 2:28, Port of Baltimore = 3:03.

More than 100 million people, about one third of the nation's population, live within a 500 mile radius from NEPA. More than 52 million people live within 200 miles. New York City, Philadelphia, Harrisburg, and Syracuse can all be reached in less than two hours.

Numerous nationally-known truckload and less than truckload firms are active in NEPA including ABF Freight System, A. Duie Pyle, Central Transport International, Estes Express Lines, FedEx, J.B. Hunt Transport Services, New Penn Motor Express, NFI Logistics, Old Dominion Freight Line, Pitt Ohio Transportation Group, Prime, Inc., Schneider National, SAIA Motor Freight Line, UPS, Ward Trucking, Western Express, XPO Logistics, and YRC Freight. Dozens of locally-owned trucking companies also serve the market.

UPS, FedEx Ground, FedEx Ship Center, and DHL have major facilities in NEPA. In 2016, FedEx Ground constructed a 310,000 square foot distribution center in Pittston Township in the center of NEPA.

## AIR ACCESS

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**Northeastern Pennsylvania is served by two main airports, the Wilkes-Barre/Scranton International Airport and the Lehigh Valley Airport.**

The Wilkes-Barre/Scranton International Airport (airport code AVP) currently offers daily arrivals and departures to major hubs in the East and Midwest with one-stop service to hundreds of destinations worldwide. Carriers include American, Delta, and United. The airport is also served by Aviation Technologies, one of the finest fixed-base operators in the Northeastern United States. Learn more at [flyavp.com](http://flyavp.com).

The Lehigh Valley International Airport (ABE) ([flyabe.com](http://flyabe.com)) provides direct daily flights to Atlanta, Charlotte, Chicago, Denver, Detroit, Fort Lauderdale, Myrtle Beach, Newark, Nashville, Orlando, Philadelphia, Sarasota, St. Pete, and Punta Gorda.

## RAIL ACCESS

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**Two Class I railroads (Norfolk Southern and Canadian Pacific) and several short lines serve the area.** An inter-modal rail yard is operated in Taylor, near Scranton.

## NEPA EXCELS AS AN E-COMMERCE FULFILLMENT LOCATION

With the evolution of online retailing and the push for ever-shorter delivery windows, e-commerce companies have sought out areas where they can establish strategically located and cost-efficient fulfillment operations. NEPA's combination of immediate interstate access, close proximity to the East Coast's consumption zones, availability of FedEx and UPS service, new speculative industrial development, affordable operating costs, and a great workforce backed by an exceptional higher education network, continues to drive logistics growth in the region.

A few of the companies operating e-commerce fulfillment centers in NEPA include Adidas, Amazon.com, American Eagle Outfitters, Chewy.com, Costco, CVS Caremark, J.P. Boden, Neiman Marcus, Rakuten, ShipMonk, and Spreetail.



Centerpoint



MORE THAN  
**39**  
MILLION  
SQUARE FEET OF  
**BULK INDUSTRIAL SPACE**  
HAS BEEN ABSORBED IN NEPA  
SINCE 2014.



• **Workforce**

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## WHY HAS NORTHEASTERN PENNSYLVANIA'S I-81 CORRIDOR BECOME SO RELEVANT WHEN COMPANIES ARE SEEKING TO LOCATE DISTRIBUTION CENTERS?

“  
We found a lot of talent locally. There is a lot of excitement about the company here in this area. We really found a lot of candidates who met our needs from a production and an operation standpoint. They really understood the business fairly well.  
”


**Christine Miller | Director of Operations  
American Eagle Outfitters  
Hazle Township, PA**



American Eagle Outfitters opened a one million square foot e-commerce fulfillment center in Humboldt Industrial Park.

“  
We searched the entire eastern seaboard for the best location for our regional distribution center and in the end, the fact that I-81, I-80, and I-84 converge in Northeastern Pennsylvania and the region's exceptional and dedicated workforce were major factors in our decision. The region's highways and transportation infrastructure and the quick access to New York and other major metro areas led us to focus on CenterPoint Commerce & Trade Park.  
”


**Mike Komensky | General Manager  
Bimbo Bakeries  
Jenkins Township, PA**



Bimbo Bakeries distributes its Entenmann's products from a 250,000 square foot building in CenterPoint Commerce & Trade Park.

“  
The five interstate highways that connect in Northeastern Pennsylvania make it very easy for us to distribute our products to more than one third of North America's population overnight. This area's great access, combined with a dedicated and highly productive workforce, has helped Benco Dental become the nation's largest independent dental distributor.  
”

**Rick Cohen | Managing Director  
Benco Dental  
Jenkins Township, PA**



Benco Dental, the nation's largest independent dental distributor, has its corporate HQ and main distribution center in a 272,800 square foot building in CenterPoint Commerce & Trade Park.

## COMPARISON OF AVERAGE NNN BULK INDUSTRIAL LEASE RATES + ANNUAL REAL ESTATE TAXES



SOURCES OF INFORMATION: 2020 industrial market reports from the nation's top industrial real estate brokerage firms and loopnet.com.

## cost | REAL ESTATE

**Average industrial lease rates in NEPA are significantly lower than those in most major metro areas.**

Research by Mericle Commercial Real Estates Services compared NNN lease rates in NEPA to those in Long Island, New York; Northern and Central New Jersey; and the Lehigh Valley in Pennsylvania. On average, asking rates for industrial space in NEPA are 37% of those on Long Island, 39% of those in Northern New Jersey, 43% of those in Central New Jersey, and 72% of those in the Lehigh Valley.

Annual real estate taxes for industrial space are lower in NEPA, too. Taxes in NEPA are just 21% of those on Long Island, 35% of those in Northern New Jersey, 42% of those in Central New Jersey, and 75% of those in the Lehigh Valley.



## LABOR AVAILABILITY

Despite its strong industrial growth since 2000, NEPA’s unemployment rate continues to run higher than state and national averages.

The statistics in the table below detail how the region has compared to the state and nation in recent years.

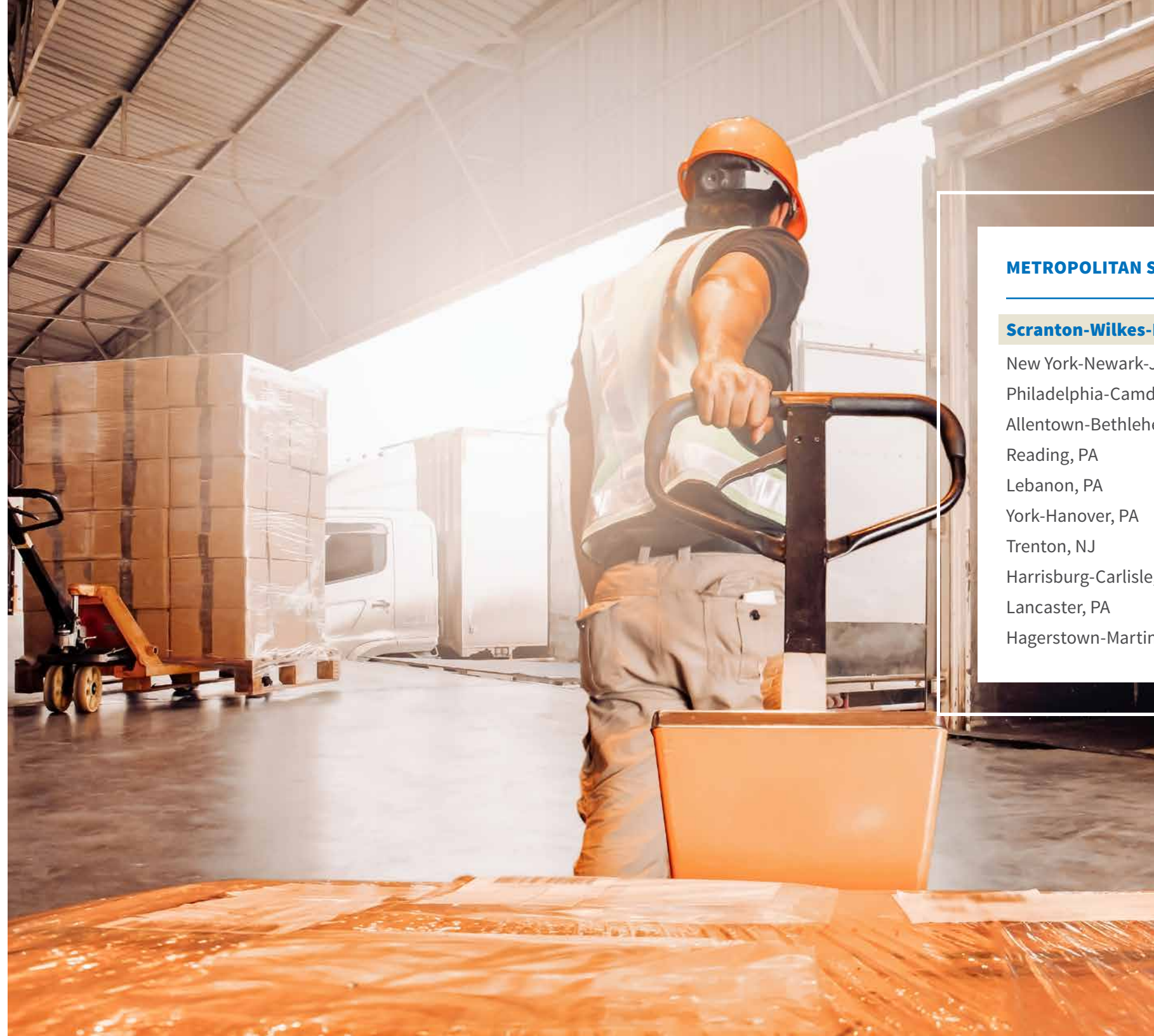
According to the Pennsylvania Department of Labor & Industry, there are **60,420 people employed in the Transportation & Warehousing sector in the 10 counties that make up Northeastern Pennsylvania.**

Labor availability for companies needing seasonal help is enhanced by the fact that there are close to **50,000 college students in the immediate NEPA area**, many of whom often seek part-time employment.

### NEPA LABOR AVAILABILITY

| YEAR | NEPA CIV. LABOR FORCE | EMPLOY. | UNEMPLOY. | NEPA  | PA   | US   |
|------|-----------------------|---------|-----------|-------|------|------|
| 2023 | 278,400               | 265,600 | 12,800    | 4.6%  | 4.0% | 3.4% |
| 2022 | 274,800               | 260,600 | 14,200    | 5.2%  | 4.4% | 3.4% |
| 2021 | 267,900               | 248,200 | 19,700    | 7.3%  | 6.3% | 5.4% |
| 2020 | 268,900               | 240,500 | 28,300    | 10.5% | 9.1% | 8.1% |
| 2019 | 277,700               | 263,700 | 14,000    | 5.0%  | 4.5% | 3.7% |

Source: PA Dept. of Labor & Industry



The following statistics detail how Northeastern Pennsylvania’s (defined by the Bureau of Labor Statistics as Wilkes-Barre, Scranton, and Hazleton) labor availability compares to those in nearby markets.

| METROPOLITAN STATISTICAL AREA             | UNEMPLOYMENT RATE % |            |            |            |            |
|---|---------------------|------------|------------|------------|------------|
|   | 2023                | 2022       | 2021       | 2020       | 2019       |
| <b>Scranton-Wilkes-Barre-Hazleton, PA</b> | <b>4.6</b>          | <b>5.5</b> | <b>9.0</b> | <b>8.8</b> | <b>5.4</b> |
| New York-Newark-Jersey-City, NY/NJ        | 3.7                 | 4.4        | 8.8        | 9.5        | 4.0        |
| Philadelphia-Camden-Wilmington, PA/NJ/DE  | 3.1                 | 4.4        | 7.3        | 7.9        | 4.7        |
| Allentown-Bethlehem-Easton, PA            | 3.3                 | 4.4        | 7.3        | 7.4        | 4.3        |
| Reading, PA                               | 3.2                 | 4.8        | 7.6        | 7.5        | 4.3        |
| Lebanon, PA                               | 2.6                 | 4.0        | 6.3        | 6.5        | 3.8        |
| York-Hanover, PA                          | 2.7                 | 4.1        | 6.0        | 6.3        | 3.9        |
| Trenton, NJ                               | 2.6                 | 3.1        | 6.2        | 5.1        | 3.6        |
| Harrisburg-Carlisle, PA                   | 2.7                 | 3.8        | 6.1        | 6.4        | 3.7        |
| Lancaster, PA                             | 2.4                 | 3.8        | 5.6        | 5.8        | 3.4        |
| Hagerstown-Martinsburg, MD                | 2.5                 | 4.1        | 5.0        | 6.2        | 3.8        |

Sources: PA Dept. of Labor & Industry and bls.gov

## LABOR MANAGEMENT

The rate of unionization of private employers in NEPA has been steadily declining since the 1980s. In 1986, 18.4% of the private workforce in NEPA was unionized. By 2022, the percentage had dropped to 9.4%

Source: unionstats.com



## LABOR COST

NEPA's very affordable cost of living contributes to the region's wage rates being cost competitive when compared to those in other metro areas.

### TRANSPORTATION AND MATERIAL MOVING OCCUPATIONS

| MSA   | MEDIAN HOURLY WAGE | MEAN HOURLY WAGE | ANNUAL MEAN WAGE |
|---|--------------------|------------------|------------------|
| Lebanon, PA                                 | \$17.46            | \$18.49          | \$38,470         |
| Trenton, NJ                                 | \$18.86            | \$19.61          | \$40,790         |
| Lancaster, PA                               | \$18.65            | \$19.69          | \$40,950         |
| York-Hanover, PA                            | \$18.66            | \$19.83          | \$41,250         |
| <b>Scranton-Wilkes-Barre-Hazleton, PA</b>   | <b>\$18.74</b>     | <b>\$19.99</b>   | <b>\$41,580</b>  |
| Hagerstown-Martinsburg, MD                  | \$18.56            | \$20.26          | \$42,140         |
| Reading, PA                                 | \$18.61            | \$20.46          | \$42,560         |
| Philadelphia-Camden-Wilmington, PA-NJ-DE-MD | \$18.56            | \$20.87          | \$43,410         |
| Harrisburg-Carlisle, PA                     | \$19.15            | \$21.04          | \$43,770         |
| Allentown-Bethlehem-Easton, PA              | \$20.08            | \$21.40          | \$44,510         |
| New York-Newark-Jersey City, NY-NJ-PA       | \$19.39            | \$24.20          | \$50,330         |

Source: [bls.gov](https://www.bls.gov) (wages as of May, 2022)

## NEPA EMPLOYERS CONSISTENTLY PRAISE THE PRODUCTIVITY OF THEIR WORKERS

The labor market here (Northeast PA) is phenomenal. We've been really happy with the market here. That's how we figure out where we are going to put a building.

**Greg Walsh** | VP of Human Resources  
Chewy.com  
Wilkes-Barre, PA

Since relocating our US-based call center to Wilkes-Barre in November of 2007, C3i has had the opportunity to recruit and train more than 175 technical people to support our pharmaceutical clients. The workforce in NEPA is very strong, and we are continually able to obtain excellent people who are qualified, professional, and dedicated to quality. Our customer satisfaction scores, which are a direct evaluation of our call center personnel, average 96%.

**Robert Jones** | Former CFO  
C3i  
Plains Township, PA

The workforce here (Scranton) is very strong. The work ethic is fantastic. We feel a lot of our success as a company is due to the fact that our associates have a genuine concern about doing a great job for our customers. That's what makes us successful in Northeastern Pennsylvania.

**Dick Kane** | Vice Chairman  
Kane is Able  
Scranton, PA





# Education & Training

# 21

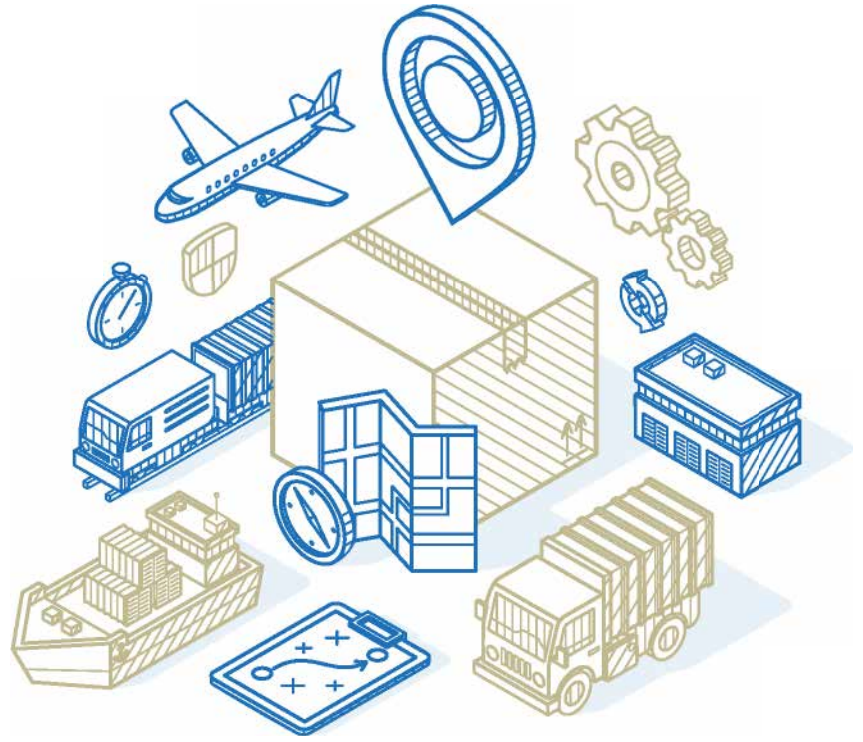


## 21 COLLEGES AND UNIVERSITIES SERVE THE BUSINESS COMMUNITY IN NORTHEASTERN PENNSYLVANIA

In a February 20, 2020 article published by NC State University, entitled, “Addressing Labor Shortages in Warehouse and DC Operations,” author Robert Handfield, Ph.D. said, “The shortage of workers has hit the trucking and logistics industry particularly hard. Freight rates are on the rise, and there are signs that the shortages are unlikely to abate.” NEPA is responding to this shortage through Supply Chain/Logistics/Information Systems and Business programs in many of its 21 Colleges and Universities.



The NEPA region boasts internationally ranked supply chain programs, outstanding business schools, and customized programs at area technical schools. Some of the institutions most actively engaged in programs that benefit supply chain/logistics operations include the following:



**Five campuses of The Pennsylvania State University ([psu.edu](http://psu.edu)) are located in NEPA.** In 2022, Penn State claimed the No. 3 position in the Gartner biennial ranking of the nation’s top 25 undergraduate supply chain management programs. In 2022, U.S. News & World Report ranked Penn State as having the No.4 best undergraduate supply chain management/logistics program in the nation.

**For 18 consecutive years, the University’s Kania School of Management has been included among The Princeton Review’s Best Business Schools.** Scranton has also been included among the list of “Best On-Campus MBA Programs” in the most recent rankings. U.S. News & World Report’s 2023 - 2024 rankings for the MBA program list the University’s accounting specialty at No. 18, and the business analytics specialty at No. 24.

**The Transportation Program at Johnson College ([johnson.edu](http://johnson.edu)) provides certificates and degrees in Diesel Preventative Maintenance Technology, Diesel Truck Technology and Heavy Equipment Technology.**

A partial list of key programs of interest to distribution companies include:

## PENN STATE UNIVERSITY

Penn State University has five branch campuses in NEPA.

- ✔ Wilkes-Barre
- ✔ Scranton
- ✔ Lehigh
- ✔ Hazleton
- ✔ Schuylkill

### SUPPLY CHAIN UNDERGRADUATE DEGREE PROGRAMS

- ✔ Project and Supply Chain Mgmt.

### SUPPLY CHAIN CERTIFICATE PROGRAMS

- ✔ Chain Mgmt.
- ✔ ERP/SAP Certificate
- ✔ Project Mgmt. Certificate
- ✔ ASCM CPIM Certificate
- ✔ Supply Chain Risk Mgmt.

### SUPPLY CHAIN OPEN ENROLLMENT AND CORPORATE *(Custom Programs)*

- ✔ APICS (The Association of Operations Mgmt. )
- ✔ CPIM (Certified Production & Inventory Mgmt. )
- ✔ CSCP (Certified Supply Chain Professional)
- ✔ CLTD (Certified in Logistics, Transportation & Distribution Program)

- ✔ ISM (Institute of Supply Mgmt.)
- ✔ CPSM (Certified Professional in Supply Mgmt.)

### SUPPLY CHAIN ONLINE GRADUATE PROGRAMS

- ✔ Bachelor of Science in Project & Supply Chain Mgmt.
- ✔ Master of Supply Chain Mgmt.
- ✔ Graduate Certificate in Supply Chain Mgmt.

### ASTL (AMERICAN SOCIETY OF TRANSPORTATION & LOGISTICS) CERTIFICATIONS

- ✔ Professional Designation in Logistics and Supply Chain Mgmt. (PLS)
- ✔ Certification in Transportation and Logistics (CTL)
- ✔ Distinguished Logistics Professional (DLP)
- ✔ Global Logistics Associates (GLA)

### SUPPLY CHAIN SPECIAL FOCUS PROGRAMS

The Center for Supply Chain Research sponsors programs at Penn State focused on the evolution of robust supply chains in a global digital economy.

- ✔ Supply Chain Leaders Forum
- ✔ Supply Chain Talent Development Symposium

### SUPPLY CHAIN OPEN ENROLLMENT PROGRAMS

Endorsed by the Council of Supply Chain Mgmt. Professionals, the Center and Penn State Executive Programs offer courses on an open-enrollment basis.

- ✔ Applying Lean Principles Across the Supply Chain
- ✔ Designing and Leading Competitive Supply Chains
- ✔ Essentials of Supply Chain Mgmt.
- ✔ Processes and Tools for Supply Chain Success
- ✔ Achieving Supply Chain Transformation

- ✔ Supply Chain Collaboration and Alignment
- ✔ Global Supply Chain Strategy and Risk Mgmt.

### ASTL CERTIFICATIONS (AMERICAN SOCIETY OF TRANSPORTATION AND LOGISTICS)

- ✔ Professional Designation in Supply Chain Mgmt. (PLS)
- ✔ Certification in Transportation and Logistics (CTL)

## THE UNIVERSITY OF SCRANTON

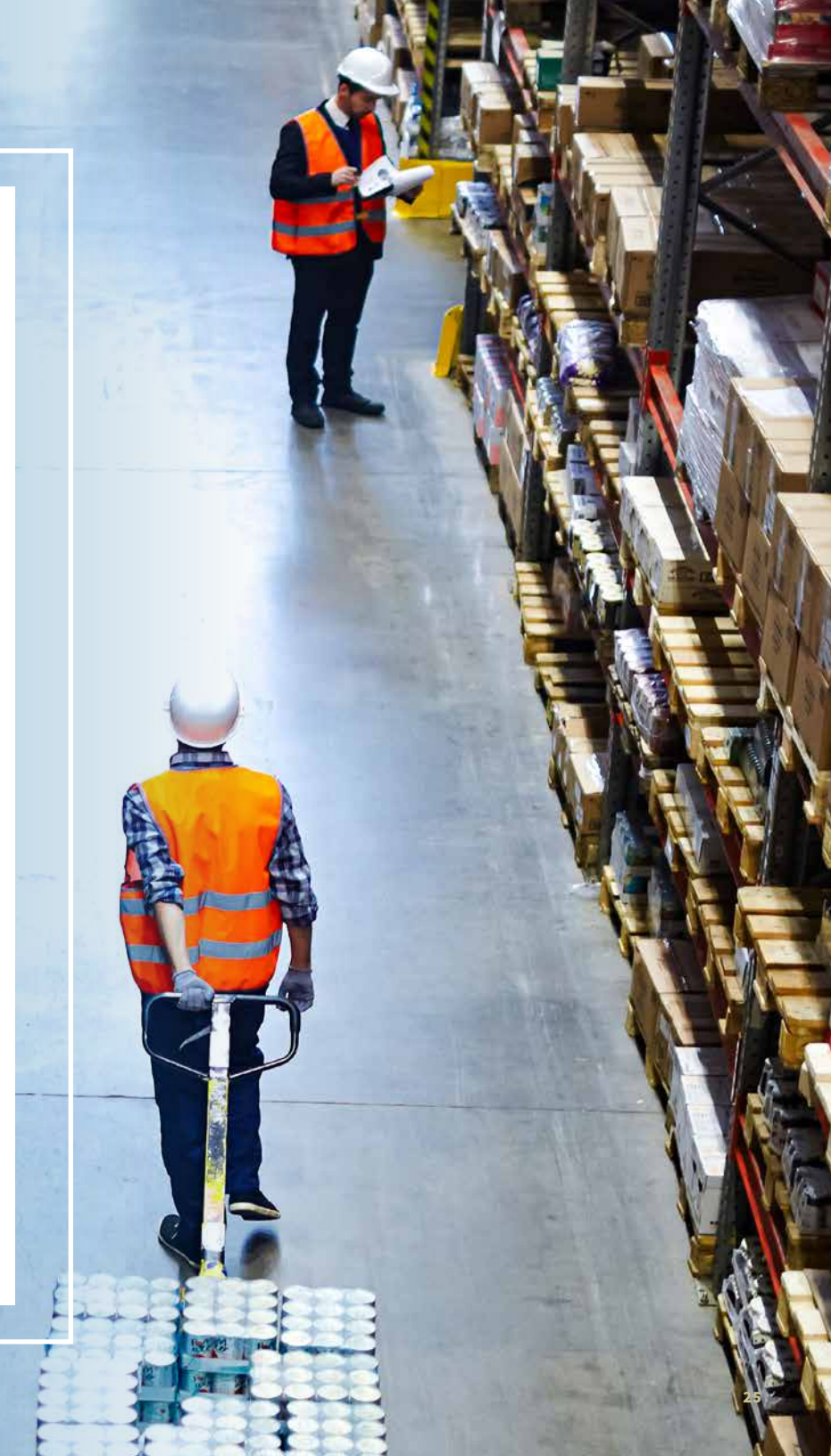
Graduate Certificates

- ✔ Enterprise Resource Planning
- ✔ SAP Certificate

## JOHNSON COLLEGE

Johnson College offers Associate Degrees in a number of related fields including:

- ✔ Logistics and Supply Chain Mgmt.
- ✔ Diesel Truck Technology



*Johnson College continued...*

- ✔ Electrical Engineering Technology
- ✔ Mechatronics Technology
- ✔ Advanced Manufacturing Technology
- ✔ Heavy Equipment Technology

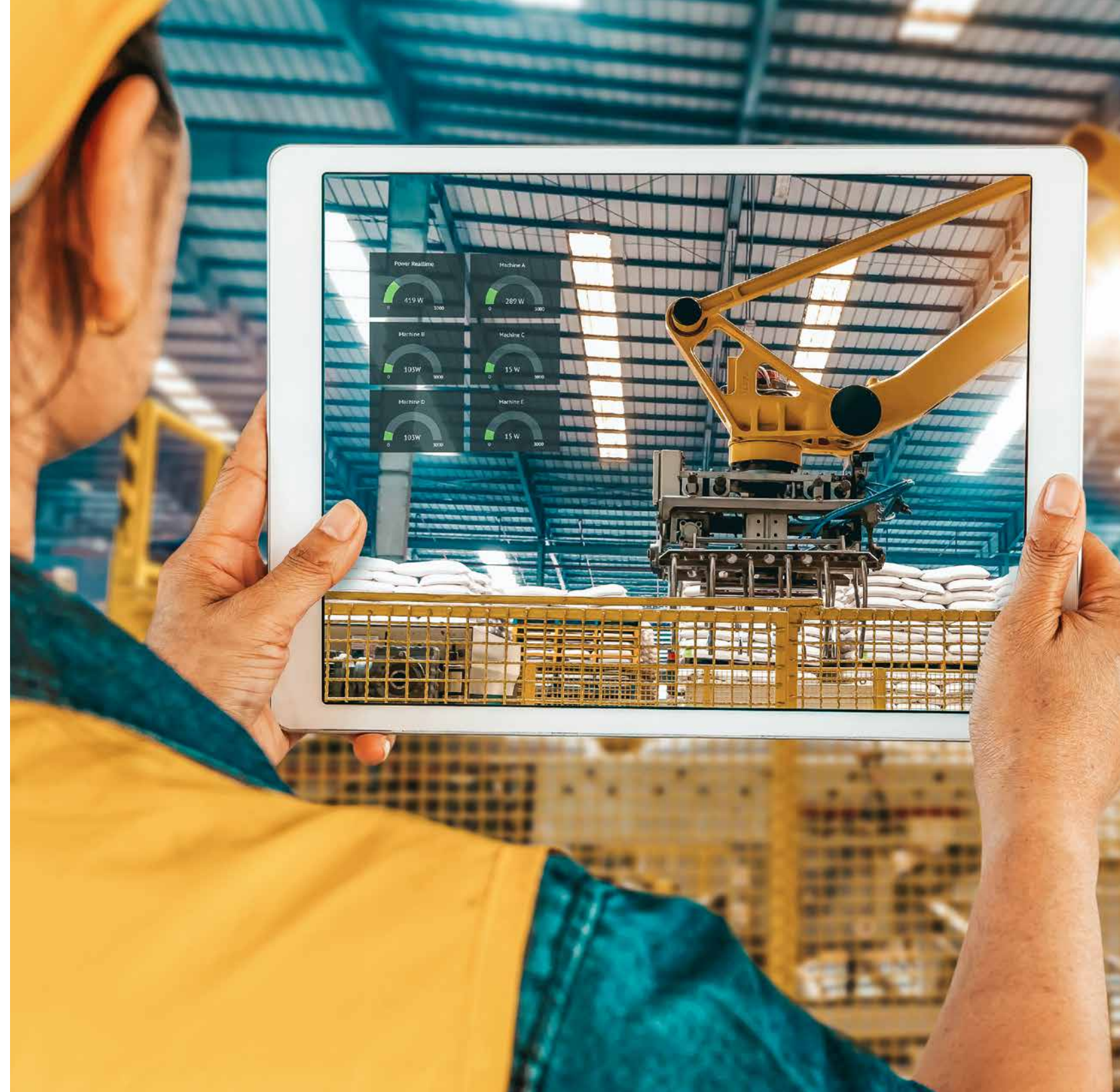
In addition, Johnson College offers certificate programs in Building and Property Maintenance, Diesel Preventative Maintenance Technology, Industrial Technology, and Welding Technology. Customizable industry training is also available on request.

**NORTHAMPTON COMMUNITY COLLEGE – MONROE COUNTY**

- ✔ Truck Driver (CDL) Training
- ✔ Class A Truck Driving Program
- ✔ Class A Refresher Program
- ✔ Class B Truck Driving Program

**LUZERNE COUNTY COMMUNITY COLLEGE**

- ✔ Professional Truck Driving
- ✔ Class A and Class B Commercial Driving License Training Program



**TRAINING SUPPORT**

**GUARANTEED FREE TRAINING PROGRAM (WEDnetPA)**

This program provides grants through the Pennsylvania Department of Community and Economic Development (DCED) for essential skills and advanced technology training. The maximum amount that can be provided is up to \$2,000 per eligible employee, not to exceed \$100,000 per eligible fiscal year.

To be eligible, employees must be full-time and earn at least \$12.00 per hour.

Training costs must be “reasonable” as defined by market rates and/or other criteria. Regardless of how it is conducted (classroom, online, etc.), each training session must be a minimum of 30 minutes in length and must start and be completed within the fiscal year (July 1 - June 30).

Training can be provided by a WEDnetPA partner institution, the company’s in-house staff, or any third-party provider.

**WORKFORCE INNOVATION & OPPORTUNITY ACT**

This federal program, which is administered by local Workforce Development Boards (WDBs), provides grants to train individuals who meet certain eligibility requirements such as those who recently lost their job or are underemployed. The On-the-Job Training (OJT) Program can reimburse employers a portion of the salary of new hires in high priority occupations. Other programs may provide full or partial funding for classroom training to help individuals learn skills that are needed to find

a career in a high priority occupation that offers a family-sustaining wage. Eligibility requirements include those who:

- were recently laid-off or terminated from employment
- are unemployed
- are collecting Food Stamps or TANF
- are employed and their income is below the self-sufficiency guideline
- are a displaced homemaker
- are homeless

Visit [dced.pa.gov](https://dced.pa.gov) to learn more about the Guaranteed Free Training Program. For more information about the Workforce Innovation and Opportunity Act, contact your local PA CareerLink® office.

An aerial photograph of a busy port. In the center, a large white cargo ship is docked at a pier, with a tugboat pushing it. To the right, another cargo ship is docked, and a tugboat is moving through the water. In the foreground, a large white airplane is on the tarmac. The water is a deep blue, and the sky is a lighter blue. The text "Cost Advantages & Incentives" is overlaid in white on the left side of the image.

# Cost Advantages & Incentives

.....

# Average Cost of Typical 4-Bedroom Home

A little buys you a lot here.



Lackawanna and Luzerne counties include the cities of Scranton, Wilkes-Barre, Pittston, and Hazleton.

| COUNTY                    | STATE     | AVG. SALES PRICE | AVG. PRICE/SF | AVG. ANNUAL R.E. TAXES |
|---------------------------|-----------|------------------|---------------|------------------------|
| <b>Lackawanna/Luzerne</b> | <b>PA</b> | <b>\$314,105</b> | <b>\$129</b>  | <b>\$4,691</b>         |
| York                      | PA        | \$382,217        | \$149         | \$6,586                |
| Dauphin                   | PA        | \$358,332        | \$150         | \$4,471                |
| Cumberland                | PA        | \$419,340        | \$156         | \$4,478                |
| Gloucester                | NJ        | \$412,487        | \$156         | \$8,700                |
| Northampton               | PA        | \$465,910        | \$169         | \$7,785                |
| Dutchess                  | NY        | \$529,499        | \$170         | \$10,703               |
| Lancaster                 | PA        | \$437,487        | \$177         | \$5,540                |
| New Castle                | DE        | \$469,576        | \$180         | \$3,318                |
| Camden                    | NJ        | \$421,622        | \$188         | \$9,832                |
| Lehigh                    | PA        | \$511,125        | \$188         | \$7,087                |
| Hartford                  | CT        | \$448,872        | \$189         | \$8,782                |
| Burlington                | NJ        | \$457,123        | \$192         | \$8,860                |
| Chester                   | PA        | \$590,633        | \$208         | \$7,144                |
| Price George's            | MD        | \$511,730        | \$210         | \$6,010                |
| Delaware                  | PA        | \$497,908        | \$221         | \$7,835                |
| Orange                    | NY        | \$547,973        | \$223         | \$12,253               |
| Bucks                     | PA        | \$594,178        | \$226         | \$7,229                |
| Howard                    | MD        | \$696,702        | \$229         | \$7,798                |
| Anne Arundel              | MD        | \$579,243        | \$233         | \$4,785                |
| Morris                    | NJ        | \$707,511        | \$247         | \$13,612               |
| Montgomery                | PA        | \$570,826        | \$253         | \$3,927                |
| Somerset                  | NJ        | \$607,100        | \$259         | \$10,683               |
| Montgomery                | MD        | \$779,988        | \$271         | \$6,850                |
| Essex                     | NJ        | \$610,476        | \$277         | \$12,494               |
| Fairfax                   | VA        | \$941,444        | \$279         | \$8,763                |
| Middlesex                 | NJ        | \$609,939        | \$280         | \$11,248               |
| Bergen                    | NJ        | \$671,446        | \$297         | \$13,190               |
| Union                     | NJ        | \$653,435        | \$297         | \$12,592               |
| Rockland                  | NY        | \$794,244        | \$305         | \$17,151               |
| Fairfield                 | CT        | \$912,101        | \$328         | \$12,135               |
| Suffolk                   | NY        | \$869,128        | \$352         | \$13,094               |
| Nassua                    | NY        | \$755,722        | \$377         | \$14,689               |
| Arlington                 | VA        | \$1,220,531      | \$425         | \$11,319               |
| Westchester               | NY        | \$1,239,087      | \$441         | \$21,957               |

Visit [discovernepa.com](https://discovernepa.com) to learn more about the thousands of quality of life amenities that make Northeastern Pennsylvania a great place to live.

Source: realtor.com

## LOCAL ECONOMIC REVITALIZATION TAX ASSISTANCE (LERTA)

Properties located in LERTA zones benefit from multi-year real estate tax abatements on improvements. In most cases, the three taxing bodies – the county, the school district, and the municipality – agree to the LERTA designation for specific properties.

There are several active LERTA sites in NEPA. CenterPoint Commerce & Trade Park near Pittston, Luzerne County is one of the largest business parks in the area. In CenterPoint, all sites are located in a LERTA zone that offers a 10 year, 100% real estate tax abatement on improvements.



## STATE INCENTIVE PROGRAMS | PENNSYLVANIA FIRST PROGRAM

This Pennsylvania Department of Community and Economic Development (DCED) program provides funding to companies that create/retain a substantial number of jobs. Businesses can receive support in the form of grants, loans, and loan guarantees for job training, property acquisition, site preparation, land and building improvements, purchasing and/or upgrading machinery and equipment, infrastructure, environmental assessments and remediation, and working capital. The company must pay at least \$12.00/hour. A \$10 to \$1 private investment match is required. The max assistance is \$5,000 per job (discretionary). The program requires participants to commit to operating at the approved project site for a minimum of eight years.

Businesses must achieve one of the following standards within three years of receiving Pennsylvania First Program funding: (1) create or retain a minimum of 100 full-time jobs at the project site; (2) increase their full time employment within the commonwealth by at least 20%; (3) provide a substantial number of new, full-time employment opportunities within a high growth industry; or (4) create or retain fewer than 100 full-time jobs at project sites that are located in counties or communities suffering from high unemployment.



## PENNSYLVANIA INDUSTRIAL DEVELOPMENT AUTHORITY (PIDA)

This state program provides low interest, fixed rate loans for real estate (max 15 years) and machinery and equipment (max 10 years), for manufacturing, industrial, office, R&D firms, and others. Companies must apply through a certified economic development organization.

Typical interest rates in Pennsylvania range from 3.75% to 4.5% and the rate is subject to change quarterly. Companies must retain/create at least one full-time job for every \$75,000 borrowed.

The max loan for real estate is \$2.25 million, and the max loan for M&E is \$400,000.

Please visit [dced.pa.gov](http://dced.pa.gov) for more specific details and guidelines for all of Pennsylvania's incentive programs.



## FOREIGN TRADE ZONES

**There are more than 2,000 acres of Foreign Trade Zone (FTZ) land located in six NEPA business parks.**

These lands are part of Foreign Trade Zone #24 under the auspices of the Eastern Distribution Center. Much of CenterPoint Commerce & Trade Park near Pittston, PA is in an FTZ. Sites in the Jessup Small Business Center and Valley View Business Park near Scranton, also have FTZ status.

FTZs encourage and expedite import/export cargo movements. These specially designated zones are considered outside the Customs territory of the United States, which means that merchandise can be stored, exhibited, assembled, manufactured, and processed without being subject to formal Customs entry procedures and payment of duties unless and until the merchandise enters the Customs territory for domestic consumption. FTZs offer a variety of benefits including duty deferral, relief from inverted tariffs, duty elimination on waste and scrap, duty exemption on re-exports, and no duties on domestic content, added value, and rejected or defective parts.



## THIRD PARTY LOGISTICS

**In addition to the dozens of truckload and less than truckload companies with operations in NEPA, there are also numerous national third party logistics (3PL) companies active here.**

These include DHL, FedEx Supply Chain, ID Logistics, J.B. Hunt, Kenco, LeSaint Logistics, Neovia, NFI, OnTrac, Romark Logistics, ShipMonk, The Patton Logistics Group, and XPO Logistics. Mericle has provided space to most of these companies.

## COLD CHAIN SPACE

**Some of the nation's largest cold storage companies have major industrial facilities in NEPA.**

For example, Americold, Arcadia Cold Storage & Logistics, Henningsen Cold Storage Company, RLS Logistics, and United States Cold Storage, Inc., together operate about one million square feet of cold chain space here. In addition, Prime Inc., one of North America's largest refrigerated trucking companies, has a large terminal in NEPA.



# • Utilities

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**Northeastern Pennsylvania is utility strong with natural gas, public water and sewer, abundant power, and fiber service readily available to business parks.**

## NATURAL GAS

NEPA is strategically located within Pennsylvania’s Marcellus Shale Natural Gas Play. High pressure gas mains owned and maintained by UGI Penn Natural Gas provide service to area business parks.

The discovery of an estimated 500 trillion cubic feet of natural gas in the rock located under a 22.4 million acre area that covers much of NEPA and the Northern Tier of Pennsylvania has had an enormous impact on the regional economy. The Marcellus Shale region has been recognized as the “largest unconventional natural gas reserve in the world.”

Thousands of acres in NEPA and the Northern Tier have been leased by natural gas companies. Billions of dollars have been invested here by Southwest US energy companies. Because of this investment in Marcellus Shale, NEPA is expected to have access to abundant and affordable natural gas for decades to come.



## WATER

Water quality and pressures are very good in the area. In fact, in some business parks, companies choose to install pressure reducers to control water pressure to their buildings.

Water is primarily supplied in NEPA by Pennsylvania American Water Company (PAWC). A subsidiary of American Water (NYSE: AWK), PAWC is the largest investor-owned water utility in Pennsylvania, providing high-quality and reliable water and/or wastewater services to approximately 2.4 million people. Each year, Pennsylvania American Water invests approximately \$300 million-\$350 million to upgrade its water and wastewater systems. In addition, PAWC proactively replaces aging pipes, valves, service lines and other parts of its more than 11,000-mile network of water and sewer mains to enhance water quality, service reliability, and fire protection.



## SANITARY SEWER

All of NEPA’s business parks are served by modern sanitary sewer systems. Several local sewage treatment facilities can accept large amounts of biochemical oxygen demand (BOD) and suspended solids without requiring businesses to pre-treat their effluent.

## ELECTRIC

Power is supplied to several local industrial and office parks via PPL Electric Utilities and UGI Utilities. In most parks, buildings can be serviced with at least 4,000 Amps of power. NEPA offers some of the lowest power costs of electricity in the Mid-Atlantic and New England regions.



## TELECOMMUNICATIONS

Numerous telecom vendors, including Verizon, Frontier Communications, CenturyLink, PenTeleData, and Comcast provide fiber, copper, and cable service to local business parks.

Comcast Business has made one of its most significant infrastructure investments to bring its national, private fiber-optic network to the buildings and sites in CenterPoint Commerce & Trade Park near Pittston.

Park tenants can access secure, scalable, high-performance dedicated internet and point-to-point and multipoint connectivity – optimized for businesses with multiple locations – within 30 days of order.





## ABOUT **MERICLE**

FIND YOUR SPACE IN NORTHEASTERN PENNSYLVANIA

Mericle Commercial Real Estate Services is the largest privately-owned developer of investment grade industrial, office, and flex buildings and sites along Pennsylvania's I-81 Corridor.

Since its founding in Wilkes-Barre, Pennsylvania in 1985, Mericle has developed buildings in 17 Northeastern Pennsylvania business parks. More than 20,000 people work in approximately 28 million square feet Mericle has developed in the region.

Mericle is a vertically-integrated "master builder" with approximately 350 in-house professionals with expertise in all aspects of commercial real estate development and construction.

The Mericle team includes LEED-certified architects, land planners, heavy equipment operators, engineers, surveyors, licensed electricians, plumbers, carpenters, certified public accountants, in-house legal counsel, leasing and marketing professionals, property managers, landscapers, and more.

Mericle's full-time, in-house Property Management Department provides 24/7 maintenance services to its tenants in NEPA.

The company has never missed a tenant's occupancy deadline.

In addition to regularly constructing buildings on speculation, Mericle also prepares sites in advance for new construction. Through its ReadyToGo!™ Program, Mericle is fully developing pad sites in business parks throughout NEPA. Mericle's Design Department obtains all necessary permits and approvals, and its in-house Excavation Division, considered to be one of the largest of its kind in the US, clears, grades, and compacts the ReadyToGo!™ Sites and makes them ready for the immediate construction of building foundations.

Mericle makes these sites available for trailer parking until such time that it is ready to develop buildings on the parcels.

Among the well-known companies that occupy bulk industrial space developed by Mericle are Alexandria Moulding, Amazon.com, Benco Dental, Bimbo Bakeries, Chewy.com, Core-Mark, Corning, CVS Caremark, FedEx Supply Chain, ID Logistics, J.P. Boden, Michaels Stores, Neiman Marcus, Pepsico, Reynolds Consumer Products, ShipMonk, The Home Depot, and XPO Logistics.



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