

Office Depot breathes life into western Cumberland County

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Development is poised to take off again at and around [Key Logistics Park](#) in Cumberland County after [Office Depot](#) said Jan. 7 it would lease half the park's existing space for a new distribution hub.

The pace of economic recovery will be a big factor in new development, but companies, municipal officials and economic development specialists agree it's coming soon.

Office Depot will use half of the 1.2 million square feet in the park's first warehouse, which was completed in early 2009 but sat vacant due to the recession. Office Depot will begin [Distribution Operations](#) in mid-February. It expects to hire 250 people to staff the warehouse.

When Key Logistics Park was planned for the 207 acres off exit 37 of Interstate 81, [Two Other Warehouses](#) -- each more than 900,000 square feet -- also were envisioned, said James Clymer, managing partner of [Key Development Group](#), a part-owner of the remaining land at the park. The company is based in Kennett Square, Chester County.

Indianapolis-based [Lauth Property Group](#) owns the existing warehouse, Clymer said. The remaining sites are for sale, and interest is growing, he said. Commercial development is slow now, but the land in Penn and [West Pennsboro](#) townships will be a prime location when the economy improves, he said.

The townships and Newville had good foresight to rezone land near the park and extend water and sewer lines, he said.

"When the market returns, these (properties) will be pretty close to the front of the line," he said.

Other companies could build near the park, too.

"We think that because water and sewer are now available from the warehouse to Newville, more development could occur," [Penn Township](#) supervisor Gary Martin said.

Office Depot presents a new opportunity for the township's economy, Martin said. Eighty percent of the township is agriculture and conservation land. A large employer at the logistics park will add job opportunities for residents, he said.

Residents didn't always look at it that way, Martin said. Many people had a problem with Key Logistics when it was proposed. Now that it's built and occupied by a company offering jobs, people view the warehouse differently, he said.

Cumberland County, especially the I-81 corridor, was prime commercial and industrial development ground for the past decade, but dropped off significantly in 2007 and 2008, according to a report from the county planning department. Municipalities issued an average of 73 commercial and industrial building permits a year from 1998 to 2006. More than 65 permits were issued every year except 2003, according to the county.

In 2007, municipalities issued 56 commercial and industrial permits. That dropped to 47 permits in 2008, according to the county. The county did not yet have statistics for 2009.

Most of the land near I-81 in Penn Township is protected farmland, so it will never be built on, Martin said. The few properties that are available near Key Logistics at exit 37 are still up for grabs. That spills into West Pennsboro Township, he said.

[Sheetz](#), the Altoona-based convenience store company, is planning to build a store at the intersection of routes

233 and 11, said Mike LaCesa, the company's director of real estate. The store will be 5,000 square feet and will sit on more than an acre of land that had been occupied by a used car dealership. The store could hire 30 to 40 people, he said.

Sheetz considers nearby companies and industrial parks, such as Office Depot at Key Logistics, when it plans for new stores, LaCesa said. Sheetz was more interested in the site because the busy intersection is near the highway exit, he said.

"We certainly hope that all those employees find us," LaCesa said.

More development could be around the corner for properties near Key Logistics, said Anthony Amadure, business development specialist with [Cumberland Area Economic Development Corp.](#) The group helped broker the deal to get Office Depot to open a distribution facility at Key Logistics.

Penn Township does not have construction projects on the docket for that area, Martin said. It could be a while before new development springs up, he said. Office Depot's presence is welcome, but there's still half the warehouse empty, and the other two haven't been built yet, he said.

"It will take a real upturn in the economy to generate any interest out here," Martin said.

That's the line of thinking in West Pennsboro Township, too, Manager John Epley said. No other companies have introduced plans for development in that area, he said.

However, the township is looking toward a day when businesses spring up near I-81 on routes 11 and 233, he said. About two years ago, the township rezoned property to accommodate business growth, he said.

"We did (re)zone several other properties up and down Route 233 and Route 11 within a mile of this site," Epley said. "So, yes, we were hoping to draw some development other than just housing."

The precarious state of the economy will be a big factor in when and where development occurs, said Bart Anderson, a senior associate with commercial real estate firm [CB Richard Ellis Inc.](#) in Harrisburg. The company is the leasing agent for Key Logistics Park.

No company is developing on speculation, he said. But many developers recognize that land values have decreased. They're looking at sites to acquire and build on for when the economy improves, he said.

"There's serious due diligence happening," Anderson said, "but no one's pulling the trigger."

