

“Last-Mile” Delivery Warehouses as Retail Tenants.

THE NEW SYSTEM DEMANDS.

Logistics is one of many professional fields of work that is changing rapidly. The growing demand for near instantaneous delivery of goods is changing the retail and restaurant business and the logistical apparatus that delivers goods and meals to the end users, usually in their homes. Remember the old adage – “Everything old is new again.” Consider:

- “Retail”, or smaller “last-mile” warehouses are different from wholesale or large traditional warehouses and must be regulated differently.
- The United States Postal Service [USPS] collects letters and packages and delivers them wherever in days for an insignificant cost with regional and local facilities.
- UPS, FEDEX and DHL collect packages and deliver them overnight, next day or soon thereafter to wherever; they already have systems with consolidation centers in industrial areas with retail pick-up and delivery stations closer to residential areas.
- Amazon, and a growing list of other large operators, record a purchase and deliver the product within hours, overnight or soon thereafter: they too have “last-mile” warehouses.

The logistical system for gathering and delivering vast amounts of letters, packages, retail products, foods and meals is growing ever more sophisticated with regional collection and distribution centers supported by dispersed local centers.

A MARKET OPPORTUNITY.

The excess of commercially zoned land and built retail stores and strip centers is well documented. Part of the solution is to find new uses for old buildings...enter last mile warehouses.

Last-mile warehouses are smaller than wholesale warehouses, they have commercial truck traffic similar to a big box retailer without the retail customer traffic and parking demands, and they have space and locational needs similar to regional shopping malls, mid-size strip centers and big-box retail stores.

Enter a market solution to the excessive retail space problem. Regulations and infrastructure systems can be modified to accommodate last-mile warehouses. Conversions are already underway in many communities. The addition of light assembly and manufacturing along with brew-pubs and retail ceramic and textile manufacturing “stores” enrich the urban environment.

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The Race to Code the Curb

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APR 2, 2019

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LINK:

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CONSIDERATIONS FOR PERMITTING IN-TOWN WAREHOUSES.

- Large trucks belong only on large roads; their presence in town can be controlled.
- Large warehouses belong in industrial or clearly non-residential areas of the city.
- Smaller trucks, vans and delivery cars:
 - Need designated pick-up and delivery zones in commercial and mixed-use districts,
 - Must be the vehicles that serve residential collections and deliveries.
- Small scale manufacturing, to be defined, is desirable in traditional commercial and mixed-use districts.

A DISTRIBUTION SYSTEM FOR LOCALLY PRODUCED GOODS, FOODS OR MEALS.

Local products are usually produced in small quantities creating a challenge for the delivery system, especially when convenience and promptness are the customer's expectation.

- Retail goods and groceries can be taken home upon purchase, picked-up when purchased on-line or delivered in either case; small in-town warehouses are required.
- Meals can be ordered on-line and delivered to the home; kitchens may be located in facilities not associated with the host restaurant.
- The delivery vehicles can be provided by the retailer or grocer using their own vehicles and drivers, sidewalk delivery robots or third-party logistic companies like FastMile, Lyft or Uber.
- In many cases, retail goods, groceries and meals to be delivered may not originate at the shop, the grocery store or the restaurant. In many cases, there is an off-site location where the orders are recorded, prepared and sent on delivery. These operations can be located in buildings previously used for conventional retail and service business activities. Regulations can accommodate this new logistical system by adding permitted uses to conventional commercial zoning districts.

PRELIMINARY FOR REGULATING "LAST-MILE" WAREHOUSES.

Cities have long been committed to protecting neighborhoods and reducing traffic congestion and accidents. Given these goals, a delivery system for goods, foods and meals could be constructed thusly:

1. **Regulate and locate wholesale warehouses** in industrial zones as currently done. In Orlando, Amazon is planning an 850,000 SF warehouse at Orlando International Airport.
2. **Limit large truck traffic in selected areas** such as neighborhoods, collector streets, downtowns and main streets in mixed-use activity districts. Large trucks delivering food to neighborhood grocery stores is the biggest problem to solve.
3. **Develop a regulatory classification for small, "retail" warehouses** designed to deliver goods and foods the "last mile". Older properties such as stores and strip centers in areas by-passed by contemporary customers offer the win-win; the owner of an abandoned or marginalized building or small strip center gets a new tenant and the city enjoys the tax benefit.
4. **Consider standards and guidelines** that address size, height, proximity to residential, office and retail activities, parking for employees and delivery vehicles, lighting, fencing and security, stormwater retention and access for 18-wheel tractor-trailer delivery vehicles bringing materials to the warehouse and smaller vehicles needing access to deliver materials to end-user locations.

CONCLUSIONS.

Existing marginal in-town buildings can become last-mile warehouses. The existing stock of retail buildings and shopping centers has, in many cases, been superseded or leap-frogged by new suburban residential areas and commercial villages. The in-town stores and small centers not in prime commercial locations have become of marginal value. Their value can be resurrected by expanding the types of uses they can accommodate; specifically, “last-mile” warehouses at locations that offer prompt and safe delivery to residential areas.

Re-purposed existing, by-passed, retail buildings and small shopping centers can once again become productive; they can solve the owner’s problem, provide taxes for the city and accommodate the new logistical system of prompt deliveries from “last-mile” warehouses.

Retail manufacturing centers can also be located and designed for secondary in-town buildings for the production of beer and spirits, textiles and ceramics.

New in-town warehouse sites are rare. Locations for newly constructed retail warehouses are probably few. Potential sites need to be identified and protected in city plans and regulations. Re-use of existing sites and buildings becomes imperative.

City infrastructure plans, zoning codes, development standards and design guidelines can be prepared to reflect this changing logistical system for the “last mile” delivery of goods to residences.