

OP-ED

# What to do when e-commerce hubs and neighborhoods meet

BY GARY TARNOFF AND  
MEENAKSHI SRINIVASAN

The increased popularity of e-commerce and on-line shopping has generated a need for “urban distribution centers”—depots where goods are brought, packaged, tracked and shipped to provide quick delivery to consumers, sometimes within hours.

During the past few years, there has been a significant increase in the number of the centers located in or planned for New York. Once-moribund manufacturing districts now offer an opportunity to reuse old warehouses or develop land for new facilities with the promise of added jobs and increased tax revenues.

The city’s zoning has classified urban distribution centers as a warehouses, which are allowed in districts zoned for intense commercial or manufacturing uses. The districts, which are typically mapped at the edges of the boroughs and often along waterfronts, do not allow for residences, dormitories, hotels and other uses that include sleeping accommodations.

New development in the city should be welcomed as a positive change, particularly as we recover from the Covid-19 pandemic. But there are challenges.

Urban distribution centers



often need large stand-alone sites with multiple points of access from streets for trucks and vans, plus proximity to major roads as well as mass transit for employees. However, there is also a demand for smaller hubs closer to consumers in residential and commercial areas—which can utilize local, clean-energy deliveries: walking, bikes, mass transit and customer pickup. These modes of delivery would reduce the use of trucks and vans that double-park and crowd local streets. The smaller hubs often function similarly to post offices which, of course, are found throughout the city. The existing zoning regulations do not allow urban distribution centers in areas where the smaller centers would most logically be located.



### Planning ahead

The city should first change two things.

First, we should expand the number of zoning districts where these centers can exist. That would concentrate of the centers in waterfront areas, which often lack the street infrastructure to facilitate efficient delivery.

Second, the city should make distinctions in the types of distribution centers and where they may be located. A single distribution use category could impose unnecessary restrictions on smaller hubs. Colocating in-person retail establishments with smaller distribution hubs could address new trends in retailing and help retailers diversify their operations and adapt to consumer demands.

At the same time, allowing smaller hubs to locate in additional commercial districts would bring them closer to consumers and employees, reducing truck traffic and the pollution and congestion that comes with it.

To be sure, the concerns of communities about the potential land-use impacts, such as traffic congestion, noise, air quality and the streetscape, will need to be addressed. Moreover, the environmental issues and worker wages will enter the debate of any zoning change.

Now is the time to plan for the future of distribution centers, instead of relying on the vagaries of ad-hoc interpretations and stopgap solutions that result in a high degree of unpredictability for industry partners and communities.

Planning now can ensure the coexistence of emerging uses. Mixed-use neighborhoods are characteristic of New York. With planning, there is no reason why New York cannot accommodate the uses appropriately. ■

*Gary Tarnoff is co-chair of the land-use at Kramer Levin. Meenakshi Srinivasan is a senior land-use and zoning adviser at the firm.*