

The Hampton Business District Sees Success In Numbers



PHOTO GALLERY

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By Anisah Abdullah

As the Hampton Business District in Westhampton expanded over the last five years, from one industrial building to now having a third near completion, companies were swiftly moving into units as they became available.

Businesses have given positive feedback about their space and more are considering moving in, proving that the developer lived up to its goal—meeting the demand of industrial and commercial businesses seeking accessibility to the East End and providing new job opportunities in the area.

In 2009, Suffolk County agreed to lease the 50-acre parcel to Rechler Equity Partners under a 40-year agreement, after years of negotiations. The county also owns the adjacent Francis S. Gabreski Airport. The cousins who own Rechler Equity, Gregg and Mitchell Rechler, originally planned to erect 10 buildings on the lot, including a 145-room hotel, and make it a hub for high-tech businesses.

In order to move forward, the property needed to be rezoned to a planned development district, or PDD, special zoning that allows otherwise restricted construction. Southampton Town agreed to the rezoning, but the focus then shifted away from a high-tech park to a place that offered rental units to any type of business.

When the first industrial building at 220 Rogers Way opened in early 2015, most of its 60,000 square feet was leased out in a matter of months. AC Lighting and Electric Supply, Carrier Enterprise Northeast and Tate's Bake Shop were already tenants by August that year.

The second, 69,000-square-foot building to the south at 200 Rogers Way opened three years later and Tate's Bake Shop was already waiting to expand there. A private firm, Niosi LLC, and the major furniture company Restoration Hardware also signed on that same year.

Now, Rechler Equity is almost done with its third building at 215 Rogers Way. ADS Management, a Riverhead-based produce distribution company, entered a lease agreement in October to take up nearly half of the building's 66,000 square feet of space.

The business park was appealing to current tenants not only because of its convenient location—right off Sunrise Highway at the entrance to the Hamptons—but because it allowed businesses to move in immediately and expand if they wished.

And as the Rechlers continue developing, they are listening to what other companies are looking for. In their newest building, they went a different route and built all units aside from ADS's space as micro-industrial units.

"As we develop in the Hamptons ... there was a need on the East End from local businesses for plus or minus 2,000 square feet of space that we couldn't satisfy at 200 and 220 Rogers Way," Mitchell Rechler said. "There's been a great amount of interest. A lot of people are looking at these industrial units."

The Westhampton Beach Brewing Company moved into 220 Rogers Way later than the others, in July 2018. Its owners, Brian Sckipp and John Salvaggio, chose to rent a unit in the business park rather than in a more trafficked area like Main Street in Westhampton Beach because of the ample space for distribution and growth.

"If we had been on Main Street, I think one of the problems we'd have is complaints from people with trucks coming in and out," Mr. Sckipp said, adding that the large parking lot also allows them to schedule events with ease.

The brewery conducts all aspects of its business in its 4,800-square-foot unit. Its three employees brew, bottle, keg, store and distribute their products in the rear of the unit, while operating a tasting room in the front that can seat around 40 customers. It has become a hub for year-round residents and those stationed at the neighboring Air National Guard Base.

"We've seen so many other breweries, when they start getting successful, they have to pick up, move shop or they buy another building or rent another building," Mr. Sckipp said. "There are a few of them that have two or three locations—one for a tasting room, one for the brewery, one for the storage. This way, everything's centered here."

If the owners choose to expand operations, which they are considering, they can rent out either the unoccupied adjacent unit or a unit in a nearby building, Mr. Sckipp said. Expansion efforts could also bring a couple dozen more jobs with it.

Officials from Carrier Enterprise Northeast, an HVAC system distribution company, are also satisfied with their space in the same building as the brewery. The business has rented out a 4,570-square-foot space since 2015 to serve customers further east.

"People know we're here now, which is a good thing," said manager Rick Peck, who is one of the store's two employees. "For some of the vendors and HVAC guys, I think they're glad we're here."

Southampton Town Supervisor Jay Schneiderman said he thinks the business park has been very positive, mentioning its appeal to tenants like Tate's and ADS. "It sounds like it's been very successful and there's still plenty of room to grow," he said.

In terms of job growth, ADS plans to bring 110 new jobs to its location and Westhampton Beach Brewing Company is looking to hire several more employees on top of its current three.

It is unclear how many jobs Tate's Bake Shop brought and Restoration Hardware will bring, as representatives did not respond to calls for more information. But the company's large warehousing and distribution facilities—53,397 square feet and 16,000 square feet, respectively—suggest that a sizable number of jobs are required to operate them.

Restoration Hardware is currently hiring employees for its facility. Fliers are taped to several tenants' windows advertising job openings at the furniture company's new location.

And the Rechler team is not even halfway through construction. They plan to erect five more buildings on the north parcel of the property, as shown on their website, two short of the original number.

"We've been getting calls from different users who may want their own free-standing building that we may accommodate," said Ted Trias, director of acquisitions and leasing for Rechler Equity. Officials did not mention plans for a hotel in their future endeavors.

He and Mitchell Rechler said that they are considering working closer with interested businesses and shift to more of a build-to-suit development model for the future buildings. Construction on the next property will likely start in late 2019 or early 2020, Mr. Trias said.

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