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New shipper causing a run on area commercial land

Jacksonville Business Journal - by Marcia Mattson Correspondent

Jacksonville port officials expect companies to steam into Jacksonville in the wake of an Asian shipping company that plans to open for business at the city's port in late 2008 or early 2009.

Mitsui O.S.K. Lines Ltd., will become JaxPort's largest tenant with its plan to operate a \$220-million terminal under a 30-year lease with the **Jacksonville Port Authority**.

Mitsui will open the Far East to Jacksonville and officials are busy making sure companies who now must truck goods from other ports know it.

"We're out making calls on all the distribution centers and all the box stores," said Roy Schleicher, the Jacksonville Port Authority's senior vice president for trade development and marketing. "People like to hear what we have to say."

Real estate companies, developers and investors are snatching up much of the commercial land available in the area on which to build distribution centers.

"People are putting together spec buildings, so when the companies come they will already have some built," Schleicher said.

"It's the biggest economic impact engine since I've been in the business, and that's 35 years," said Hobart Joost Jr., senior vice president for the real estate company Colliers Dickinson. Joost said he couldn't give out specific names yet, but that companies are working out deals.

"Industrial values tripled in the last three years," Joost said. "The trouble is finding zoned and entitled industrial land."

Nashville-based Bridgestone Firestone North American Tire LLC, and Michaels Stores Inc. have announced they would locate distribution centers in Jacksonville at least in part because of Mitsui's presence. Bridgestone Firestone will import tires from Asia and Latin America to distribute throughout the Southeast.

Its 1-million-square-foot distribution and logistic center will be based at Cecil Commerce Center, and the project is expected to bring 250 jobs and the indirect creation of about 219 new jobs at JaxPort.

The proximity of the port and major interstates helped the company decide on the location, Nelson Miller, Bridgestone Firestone's director of logistics, said at the project's announcement.

Crafts giant Michaels decided to move a distribution center from Savannah, Ga., to a Jacksonville warehouse. Michaels' decision was more fully due to Mitsui, which has been Michaels' carrier via Savannah's port, said Michael Breen, director of international trade for Cornerstone, the economic development arm of the Jacksonville Regional Chamber of Commerce.

More companies are coming, he said.

"The ones that are still in the works we really can't talk about yet," Breen said.

"Other distribution centers are close to opening here or will make an announcement in the next year or so," Schleicher said. "We are at the tip of the 48 states. We're the most advantageous port location for Florida because we're where the 48 states start."

The addition of Mitsui alone makes Jacksonville a key port city, Scheicher said, but he said officials also are working on a couple carrier deals "as big or bigger than Mitsui."

"Once somebody takes a leap of faith like Mitsui, others start to move in." One of those is a European carrier, Joost said.

Schleicher said companies like BJ's Warehouse are "very excited" because they won't have to truck cargo from Savannah's port.

The savings in transportation and time are obvious, said **Jim Valenti, CEO of World Trade Group**, a Ponte Vedra Beach consulting company that helps others do business in China.

"It's a no-brainer. There's no reason you would not do it," said Valenti, whose company currently brings goods into Jacksonville via Savannah's port. That necessitates paying trucking costs of about \$400 per container, he said.

By shipping directly to Jacksonville, World Trade Group can bring 50 to 100 containers a year directly to the city. He expects to save at least \$20,000 a year and cut transportation time by up to a week.

"We will be bringing goods into Jacksonville no question, once they start the service next year," Valenti said.

Some of World Trade Group's customers ship in their own company names. Valenti expects them also to take advantage of the trucking savings by switching to the Jacksonville port.

"That's probably another 50 containers to come straight to Jacksonville," he said.

The change also will cut worries about shipments damaged or lost in transit because "your goods are not on the highway," Valenti. "They're coming into port."

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