

## PARTNERS *in* PROGRESS

### An Industrial Revolution

There is a new Industrial Revolution underway. As the residential and condominium sectors have slowed down dramatically, development and construction indicators show that Florida is experiencing an up-tick in the industrial market. In North Florida, Duval County as well as its surrounding counties, particularly Baker, has experienced a surge of new industrial product. Heightened excitement for industrial development can be attributed to increased trade at Jacksonville's deepwater ports, a.k.a. JaxPort. Within the next year, a new terminal at Dames Point for Mitsui O.S.K. will be completed. It is expected to double container traffic to more than 700,000 per year. A pending deal with Hanjin will increase it even more with its hoped for opening in 2011.

Jackson-Shaw has undertaken an 800-acre industrial/commercial park development in Baker County. Still in the planning and permitting stages, the location is focused on ready access to I-10 and US-90 for trade operations. Regional Development Partner, Tom Jones remarks, "The distribution needs have significantly increased in our region. North, south, east and west routes become more critical as container activity doubles and triples at JaxPort." Jones noted that Jackson-Shaw's product differentiation is a key feature in the park, including access via a new interchange at I-10, the availability of for-purchase sites in the park by users as well as some lease sites, and plans for higher grade landscaping and greenways more appealing to the growing Baker County workforce.

Andy Rapp is leading Johnson Development into the market having broken ground at Westlake Distribution Center. The center will have more than a half a million square feet of distribution space under one roof. Rapp reports that the anticipated activities at JaxPort certainly influenced them to build in Jacksonville. "However, we did not base our decision to be in North Florida on that alone," continued Rapp. "We observe, too, that the population trends are positive, area retailers and retail distributors follow the people, and Johnson Development wants to be in the path of progress."

In Northwest Jacksonville, ProLogis, an owner, manager, and developer of distribution facilities has two parks underway, ProLogis Park Westlake and ProLogis Park I-295, the second of which will consist of three warehouse structures on 53 acres. ProLogis projects are worldwide. They hold 510.2 million square feet in North America, Asia and Europe. The Jacksonville ProLogis parks are the first in Jacksonville, further representing a forward momentum in area industrial development.

A relative newcomer to the North Florida construction market, Conlan Company, has gotten a quick start on construction of industrial and distribution facilities in the area including Bridgestone/Firestone, Majestic International Tradeport and Alta Lakes. Headquartered in Atlanta, Conlan explains their movement into Florida is founded on relationships with clients migrating southward. Project Manager Alex De Martini says a key to their success is their ability to self-perform concrete work, thereby controlling cost, schedule and quality.

Some brokers and developers have begun to speculate that with the amount of industrial space in permitting or under construction, North Florida could be headed for an oversupply situation. J. J. Conners of Chestnut Hill Investments and Jax Industrial Management, LCC, the developer of Alta Lakes Commerce Center, observes that permitting and construction of 8 to 10 million square feet is already underway. "I think that amount of square footage is all that can be expected to be absorbed by Mitsui O.S.K. Anything that comes on line beyond that threshold will be looking for non-Mitsui end users or waiting for Hanjin. If we get too far above this amount, we're risking an oversupply situation," cautions Conners.