



THE SLEEPING GIANT

JACKSONVILLE POSITIONS ITSELF
AS AMERICA'S LOGISTICS CENTER



Watching the evolution of the logistics industry in Jacksonville is like witnessing a sleeping giant rumble to life – and the evidence is endless. Every day, international cargo ships piled high with freight move effortlessly under Jacksonville’s bridges while thousands of semi trucks rattle along the city’s highways. Trains breeze through the region transporting goods while cargo planes soar overhead delivering products across the nation. By sea, rail, air and land, Jacksonville is taking charge of its logistics capabilities and positioning itself throughout the country, and the world, as “America’s Logistics Center.”

“Jacksonville’s ideal crossroads location certainly deserves the title of America’s Logistics Center with it being one of the largest intermodal transportation hubs on the East Coast,” said Jacksonville Mayor John Peyton. “If ‘location’ is the magic word in real estate, it is just as important to trade and transportation and Jacksonville has it.”

Geographically speaking, Jacksonville is an epicenter for the logistics industry. It is at the intersection of three major transportation routes – Interstates 10, 95 and 75. The city is served by three major rail lines – Jacksonville-based CSX, Norfolk Southern and Florida East Coast Railway – and it is home to four airports and more than 100 truck terminals. Perhaps the biggest player in Jacksonville’s logistics arena is JAXPORT, the region’s international trade seaport that is home to three terminals and one passenger cruise terminal – all of which employ 65,000 people throughout the region and generate \$19 billion in annual economic impact.

“To be a logistics center you need a variety of elements – the road, the rail, the port, the labor, and the administrative and community support,” said Rick Ferrin, JAXPORT CEO. “We have all of those things, and we are becoming a global gateway to the Southeastern United States.”



Photo taken by Cypix.net/Bill Yates

By Sea

Since arriving at JAXPORT from the Port of Oakland in 1997, Ferrin has made it his mission to expand the port and make it an economic driver on the First Coast. Fast forward 12 years later and JAXPORT is one of the fastest growing ports in the nation; on its way to becoming one of the top three ports on the Eastern Seaboard. On any given day, a plethora of goods and cargo are distributed through the port. Last year alone, JAXPORT handled more than 8.3 million tons of cargo earning the port \$42.2 million in operating revenues, the eighth consecutive year of record revenues.

“The activity at the port is responsible for so much economic activity and so many jobs,” Ferrin said. “There are 23,000 jobs in Jacksonville that are directly related to port activity and these jobs pay an average of \$43,000 a year. We are enablers of commerce and an economic engine in this region.”

In January, JAXPORT welcomed the opening of the TraPac Container Terminal at Dames Point, which is capable of handling 500,000 to 1 million containers a year and allows expanded international trade routes from Asia and Europe. According to Regional Vice President and General Manager of TraPac Dennis Kelly, this is TraPac’s first terminal on the East Coast, handling cargo of all kinds, including cargo for Bridgestone Tires, Michaels, Rooms to Go and Coach. JAXPORT also recently signed a lease with Hanjin Shipping Co. of South Korea to build a second new terminal that is expected to open in 2013. The 90-acre, \$30 million terminal will be able to handle 800,000 container units, making JAXPORT a Top 10 U.S. container port.

While JAXPORT has made tremendous strides in expansion during the last decade, it now stands to reap big benefits from the widening of the Panama Canal, which will be complete in 2014. The canal’s expansion will allow for passage of container ships with three times the capacity of current Panamax vessels.

“The opening of Hanjin’s terminal in 2013, the Panama Canal widening and the deepening of our harbor to accommodate Post Panamax vessels will put us in an ideal situation,” Ferrin said. “At that point, all of our terminals will be able to handle about 2.9 million containers a year and at that volume we would be the third largest port on the East Coast.”

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By Rail

Jacksonville has long played a role in the nation's railway system and according to CSX's John Koch, the rail is much more than most people think.

"Rail is more than you waiting at a crossing for a train – it's about bringing you everything you do, from your car to the fuel you burn," said Koch, director of International Sales and Marketing for CSX.

"Two-thirds of the U.S. population lives within our network of rail, meaning we play a vital role in the movement of goods across our country."

CSX is one of Jacksonville's largest employers with 3,400 employees locally and 30,000 nationwide. Nationally, the company has a 21,000 mile rail network that serves 23 states and Canada and 70 ports along the Atlantic and Gulf Coasts. In Florida alone, CSX operates 2,800 miles of track and handles about 1.8 million carloads of freight annually.

"In Florida, we are an economic engine that serves JAXPORT and a variety of other industries," Koch said. "People don't realize that we sit at the nexus of a network that gives us the ability to reach the global marketplace."

Long before the shift to clean technology, CSX was employing methods of sustainability within its systems. CSX can move one ton of freight 436 miles on one gallon of diesel fuel, which is equivalent to 280 trucks moving goods. Since 1980, the company has invested more than \$1 billion to upgrade its fleet with more fuel efficient locomotives.

"Rail connectivity is key to providing economically, environmentally friendly solutions to handling the growth that comes with the expansion of the port and Jacksonville's logistics industry," Koch said.



Photo taken by Cypix.net/Bill Yates

By Road

In addition to its port and railway accessibility, Jacksonville also sits at the intersection of three major transportation routes. It is this location that makes business boom for road and trucking logistic companies like Jacksonville-based The Suddath Companies and The Grimes Companies.

In the last 90 years, Suddath has grown from a small Northeast Florida moving and storage company to one of the nation's largest relocation, moving, warehouse and logistics company. With a number of companies under its umbrella, Suddath is a major player in Jacksonville's economic fabric and works closely with the Jacksonville Regional Chamber of Commerce to relocate new businesses and employees to the city.

"When a new business comes to town from overseas, we can handle bringing in all their equipment, moving their employees over, acclimating them to the country, introducing them to the schools, buying and selling their home, and supporting their e-commerce business," said Bob Thomas, president of Suddath Transportation Services, an operation under The Suddath Companies that handles freight and transportation for customers. "This certainly helps the Chamber when it brings new businesses to Jacksonville, both domestically and internationally."

Another major player that services Jacksonville's logistics industry is The Grimes Companies. The company provides manufacturers and distributors with a combination of storage, transportation, packaging and supply chain services. The Grimes Companies employs around 120 people in the area and moves 30 to 60 truck loads of freight a day from its 600,000-square-foot of warehouse space in Jacksonville.

"There is not a piece of freight we can't work with or a geographic region we can't touch," said Michael S. O'Leary, president of The Grimes Companies. "There's not another company I'm aware of, that offers all the services we do. We offer the opportunity to completely cover a company's supply chain needs – to put all the pieces under one roof and allow for a tremendous amount of synergy."

When it comes to Jacksonville's role in the future of logistics, O'Leary is one of the region's strongest supporters of growth and

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has worked diligently with the Chamber to promote the area. When speaking about the future of logistics O’Leary notes, “When you look at Jacksonville’s future in the next 20 years, logistics is going to be a big part of the city’s makeup. It’s because of the unique traits Jacksonville has that makes it the best place on the East Coast to bring in a variety of freight. There’s not another spot on the East Coast that can claim America’s Logistics Center.”

General Logistics

While many logistics companies in Northeast Florida focus on sea, rail or road, there are hundreds of other companies that play a vital role in the logistics business and service a large part of the industry. CEVA is one such company and its senior vice president of business development and marketing for the Americas, Keith Goldsmith, sees Jacksonville as a true up-and-coming logistics center.

“While a lot of other cities have a long-time reputation as being major hubs, Jacksonville is a real up and comer and has more momentum than any other city,” Goldsmith said. “We may not be the largest but we are the most innovative, and Jacksonville has every right to be called America’s Logistics Center.”

That statement comes from one of the world’s largest logistics companies employing more than 50,000 people in 150 countries. In Jacksonville, CEVA services around 70 customers through its dedicated contract logistics center, which generates hundreds of millions of dollars for the company and builds an infrastructure completely dedicated to a single client, such as General Motors, Home Depot or Verizon.

“We serve as the intellectual capital of freight here. Our engineers, technologists and logisticians are the crème de la crème of the industry and we have brought them here to build a logistics powerhouse,” Goldsmith said.

W&O Supply is another company that directly supports the logistics industry in Jacksonville. The company is a solutions and product provider for the marine industry that works extensively with



companies that utilize the port. It is the nation’s largest supplier of engineered products, pipe, valves and fittings to the marine industry.

“As the port grows, we are looking at more of our shipments possibly coming from all over the world,” said Jack Guidry, president and CEO of W&O Supply. “We want to support the port here since it is an important piece to the climate of Jacksonville, and when you look at everything in the city – the work ethic, the community and the lifestyle – this is a good place to be.”

UPS thinks so, too. As the world’s largest package delivery company and a leading provider of transportation and logistics, the company plays a large and often unseen role in Jacksonville’s logistics industry. UPS has a 100-acre hub in Jacksonville that serves the region from Savannah to Daytona to Tallahassee.

“Jacksonville is a vital place to have a hub when you talk about rail, air and ocean logistics – it fits perfectly into what UPS does as a transportation and logistics company,” said Lilly Vickers, director of sales for UPS Southeast Region.

If Mayor Peyton has anything to say about the future of Jacksonville’s logistics, companies like UPS will continue to see the benefits of doing business in Northeast Florida.

“We will continue to develop Jacksonville as a central distribution hub that utilizes sea, rail, highway and air to take advantage of the city’s western-most port on the Eastern Seaboard,” Peyton said. “We are working on infrastructure improvements – especially those affecting our port – and the city has already allocated \$50 million for port-related infrastructure projects.” More information about Jacksonville’s logistics industry is available at www.ExpandInJax.com. 