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Jaxport edges out Port Tampa Bay on manufacturing facility contract



Jaxport will now house the company that was in talks with Port Tampa Bay for over a year.

JAXPORT

PEOPLE IN THIS ARTICLE

- [Jake Austin](#)
- [Randy Tarino](#)



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– Reporter, Tampa Bay Business Journal
2 hours ago

TAMPA — Jaxport's focus on Asian container service, a business it entered in 2009, paid a major dividend this week when a New Jersey-based manufacturer picked Jaxport over Port Tampa Bay for its new Florida distribution center.

The manufacturer, which scouted multiple Florida locations under the name "Project Buckeye" to locate its proposed manufacturing, warehouse and distribution facility, has now been revealed as being New Jersey-based LaRose Industries LLC, also known as Cra-Z-Art, an industry leader in arts, crafts, stationery, licensing and toy products. LaRose was in negotiations with officials in the Tampa before it selected Jacksonville.

Plant City EDC President [Jake Austin](#) announced to investors that Project Buckeye eliminated Plant City from its short list of potential communities. Austin told Tampa Bay Business Journal the port was in conversations with LaRose Industries for over a year and the company considered building the facility in Plant City or south Hillsborough County; however, company officials were concerned about hurricanes and the evacuation zones in south Hillsborough.

"They were happy with the Plant City option, but with putting costs together, their shipments from China would be better positioned in Jacksonville due to its Asian carriers," Austin said.

LaRose Industries COO [Randy Tarino](#) explained further in an email why they selected Jacksonville over Tampa Bay.

"Jacksonville was eventually selected due to JaxPort's superior advantage over the Port of Tampa as it regards the frequency of container ships from China and due the availability of a building suitable to the needs of LaRose Industries within the required time frame to move our manufacturing, distribution, and warehouse operations during the first quarter of 2019," Tarino wrote.

Asian containers have been Jaxport's fastest-growing business segment for years and helped the port authority set July and August container records. Jaxport moved about 382,000 Asian containers in the first 11 months of its fiscal year, a 10 percent annual improvement. It was exactly this business lane that wooed the manufacturer to Jacksonville.

"It was an extremely tough decision as all parties involved have been extremely professional and helpful and put in a lot of hard work. Unfortunately the lack of ships coming into the Tampa Port and the additional costs related to these containers outweighed all the other great reasons and advantages being offered by the Tampa and Plant City areas," Tarino added.

[Jaxport has been diversifying itself in the Asian market](#) and this year had picked up a new shipping line through the Suez Canal and is also served by two shipping lines via the Panama Canal, that for the first time allowed it to have access to Thailand and Singapore.

Zim Integrated Shipping Services, the 11th largest ocean carrier in the world, announced this month that it was adding service at Jaxport that will bring more containers from North Asia through Jaxport, the Jacksonville Business Journal reported.

Zim American Integrated Shipping is also has a South American Express service to Tampa, which is Tampa's primary global container service. The Mediterranean Shipping Co., or MSC, also offers service as well. The port handles other non-containerized cargo to/ from Asia including bulk, the port said.

Jacksonville's offerings that led LaRose Industries to select it will also yield new high-paying jobs. The company was going to create 18 jobs wherever its manufacturing plant was established, but it will now commit to creating up to 21 new jobs at an average wage equal to 115 percent of the state's average wage of \$53,298. It will request the QTI tax refund request going from \$54,000 to \$63,000, understanding Jacksonville's matching contribution at 20 percent will total up to \$12,600 and the State of Florida portion will total \$50,400, according to Tarino's email.

Although Port Tampa Bay didn't strike a successful deal with the company, port officials remain confident.

"The port has been experiencing record growth in its container business which is up by 55 percent this fiscal year. A crucial driver behind this growth is the increase in import and export activity by companies located throughout the Tampa Bay/I-4 Corridor region," Port Tampa Bay Marketing and Business Development Vice President Wade Elliott told TBBJ.

"While each individual company has its unique set of circumstances which factor into where the company locates or expands, the overall demand for industrial real estate, warehousing and distribution space in the Tampa Bay market is growing exponentially. Companies are clamoring for space, including many firms seeking to relocate to this region," Elliott said.

"The Tampa Bay/I-4 corridor is already home to the largest concentration of distribution centers in the state. The recent expansion of e-commerce distribution capacity in our backyard illustrates the advantages this region can provide in terms of supply chain cost savings to serve the entire Florida market, particularly as trucking costs continue to increase," Elliott added.

Port Tampa Bay executives had just attended the TPM Asia Conference in China last week, where industry leaders spoke on container business and manufacturing sector.

Will Robinson in Jacksonville contributed to this report.