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TAMPA BAY Business Journal

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Polk County enjoys healthy industrial market

Tampa Bay Business Journal - by [Margaret Cashill](#) Staff Writer

TAMPA — Bay area residents who pass through Polk County on Interstate 4 may have the impression of a tranquil, largely rural part of the state. For those with an eye on the industrial real estate market, the region is anything but sedate. The communities of Polk County are increasingly sought-after locations for warehouse and distribution facilities.

Polk County's largest city, Lakeland, is one of two industrial markets in Florida to see positive absorption in the year to date, the other being Jacksonville, according to **Cushman & Wakefield** Research Services.

Home to the headquarters of **Publix Super Markets Inc.**, Lakeland had a 4.3 percent overall vacancy rate for industrial properties in the second quarter of 2008, down from 5.6 percent for the same time in 2005. The 4.3 percent rate compares favorably to 6.1 percent for Tampa, 8.7 percent for Orlando, and 6.6 percent for the state overall in the second quarter of 2008.

A number of national retailers have distribution facilities in Lakeland, including Rooms to Go, **J.C. Penney Co.**, **The Home Depot Inc.**, **Haverty Furniture Cos.** and **Coca-Cola Enterprises Inc.** A few of Lakeland's newest industrial tenants are Land O'Lakes Inc., **GTech Corp.** and **Packaging Corp. of America.**

Lakeland has undergone a "dramatic transformation" in the last five years, said Edward Miller, a principal and managing director of industrial services at Colliers Arnold. "It has come into its own both as a municipality and as an area that has attracted a lot of business growth."

Miller represented **Rockefeller Group Development Corp.** in acquiring the former site of the **USA International Speedway** in August. The 113-acre Lakeland site will be home to an industrial park with more than 1 million square feet of distribution space.

Lakeland's greatest advantage may be its location between Tampa and Orlando and midway between Key West and the Georgia border. Lakeland has easy access to Interstate 75 and the **Florida Turnpike** and frontage on I-4.

Drive time maps favor the accessible position. "You can get all the way to Atlanta, Charlotte and Savannah within eight hours," said Dolores Seymour, a managing director of industrial services at Colliers Arnold who worked on the Rockefeller transaction.

The commute to Tampa from Lakeland is about 30 minutes. Orlando is less than an hour away. **Tampa International Airport** and **Orlando International Airport** are both within easy reach as is the Port of Tampa. In all, some 8.5 million people live within 100 miles.

“The big driver has been the land. It’s cost a lot less historically to build out in Lakeland and Polk County,” said Rian Smith, a global supply chain consultant for Cushman & Wakefield. The average rental rate for industrial space in the second quarter of 2008 is \$7.05 for Tampa and \$7.62 for Orlando, but only \$5.53 per square foot for Lakeland.

While businesses enjoy lower rates, they can still take advantage of the potential commuting populations of both Tampa and Orlando. Polk County brings its own viable civilian work force as well, estimated at 269,613 in the second quarter of 2008 by the **Florida Agency for Workforce Innovation**.

Work force development is one of many initiatives of the **Lakeland Economic Development Council** and the **Central Florida Development Council**, which have cultivated business growth in communities throughout Polk County.

“A feather in Polk County’s hat is their very pro-business attitude,” said Doug Irmscher, senior VP for Central Florida at **Duke Realty Corp.** “Everyone is very cooperative and happy to do whatever it takes.”

Duke Realty Corp. developed the Park 27 Distribution Center in Davenport. The center is comprised of two buildings of 275,000 and 397,000 square feet that opened in 2003 and 2007 respectively. In 2009, construction is expected to begin for a third building of 425,000 square feet.

In September 2007, **CSX Corp.** (NYSE: CSX) purchased 1,250 acres in Winter Haven to build an integrated logistics center. Pending permitting and government review, CSX will proceed with construction of the truck, rail and warehousing facility, said Gary Sease, spokesman. The center could create as many as 8,500 jobs.

A robust industrial market in a forlorn economy bodes well for the region, which is no longer a secondary market to Tampa and Orlando.

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