

# A Productive Partnership

WAREHOUSING,  
DISTRIBUTION CENTERS  
**BOOM** AT THE PORT

*BY TODD KARPOVICH*



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The Port of Baltimore boasts a strategic location in the mid-Atlantic region and some of the finest maritime infrastructure in the world.

As a result, the Port is an attractive location for some of the most successful and biggest warehousing, storage and distribution services.

Warehousing operations have grown steadily, according to research by CBRE Group, Inc., a commercial real estate services and investment firm.

Since 2008, overall industrial real estate has grown to include 26 million more square feet of warehouse space and 120 more warehouses. The large warehouse footprint (over 500,000 square feet) has grown by 50%.

“Our proximity to the Port’s container terminal operated by Ports America Chesapeake means we can turn containers faster, turn more containers, load containers heavier with more cargo and respond more quickly to customer needs, which translates to lower costs for those that utilize our services,” said Brooks Royster, President of MTC Logistics. “Our location next to the Port is not by accident. It was quite purposeful.”

**MTC LOGISTICS** has been operating temperature-controlled distribution centers in Baltimore for nearly a century. In 2013, the company expanded its Chesapeake Commerce Center adjacent to the Seagirt Marine Terminal. The facility encompasses more than 9 million cubic feet and offers about 32,000 racked pallet positions.

As the Port’s container traffic continues to increase organically and with the addition of new ocean carrier services, MTC expects its business to grow as well. Royster calls it “truly a symbiotic relationship.”

“We have built our facilities in phases,” Royster said. “There is no reason to believe we are through doing so. As business grows, expansion is embraced.”

**ACE LOGISTICS** uses its strategic location near the Port to develop key partnerships and new ways to grow. The warehousing and logistical services firm has easy access to both the Port and I-95 to keep cargo moving. Ace Logistics’ main headquarters is also served by Canton Railroad, which is beneficial to its client base in the movement of goods.



1.8 million square feet

Alec Hajimihal, Co-Owner of Ace Logistics with his brother Gus Hajimihal, said the Maryland Department of Transportation Maryland Port Administration (MDOT MPA) and Ports America Chesapeake have been effective, strategic partners.

"The Port of Baltimore marketing team and support staff are very competent and diligent in their follow-up,"

Alec Hajimihal said. "Ports America has assembled an effective management team that is responsive to our needs."

In recent years, Ace Logistics has developed several innovations with its warehousing, storage and distribution services. For example, the company added extensive lot code tracking and managed to diversify the portfolio of products/commodities that it handled. Ace Logistics also obtained Foreign Trade Zone (FTZ) designation and added outside FTZ storage.

Ace Logistics plans to double its footprint by the end of 2018 with two additional buildings on nearby Haven Street and Holabird Avenue.

**BELTS LOGISTICS SERVICES** has been working around the Port since 1845 and has taken advantage of the strategic location. Products coming through the Port can reach one-third of the U.S. population and two-thirds

of the U.S. economy overnight.

"Maryland's world-class port facilities and superior highway infrastructure make our facilities the shortest and quickest route into the nation's heartland," said Larry Smith, Belts' Vice President for Business Development. "The Baltimore/Washington area is the nation's second wealthiest and fourth largest consumer market. Against this backdrop, Belts Logistics has two major distribution facilities less than two miles from the Port.

"Our proximity to the Port allows us to get more container turns per day



↑ *MTC Logistics, which has been operating temperature-controlled distribution centers around the Port for almost 100 years, sees potential for more growth.*



← *Ace Logistics has a strategic presence at the Port and plans to double its footprint by the end of 2018 with two additional buildings.*

and keeps our customers from paying long-distance drayage rates,” he explained. “We can respond quickly to urgent requests for drayage support, for example, from customers who are on their ‘Last Free Day’ before their ship lines will begin assessing them for demurrage charges.”

With multiple terminals handling the full spectrum of imported goods, a wide array of logistics providers is needed to support continuous operations, according to Smith. As a result, it’s possible for multiple logistics providers to thrive and grow simultaneously without excessive head-to-head competition.

The bulk-freight handlers and forest-product experts, for example, don’t compete with the packaged goods handlers, Smith said. And companies that handle roll-on/roll-off vehicles don’t compete directly with companies like Belts, which provides such services as highly regulated food-grade handling, FTZ storage and air-conditioned cooler storage to protect fine international wines exported to Baltimore from all over the world.

“Everyone in the POB community is rooting and actively working for the Port’s success. Knowing full well that their own individual levels of success are, in part, by-products of the Port of Baltimore’s success, stakeholders collaborate in multiple ways to help the Port succeed,” Smith said.

For example, U.S. Customs House brokers and freight forwarders work together in the Baltimore Customs Brokers & Forwarders Association (BCBFA), while Port-related business leaders interact with Baltimore City officials in the Baltimore Industrial Group (BIG).

At the federal level, private and public service providers solve burgeoning issues in the Federal Agency Quality Working Group (FAQWG). Other major associations helping to keep the Port of Baltimore strong are the Baltimore Port Alliance (BPA), the Baltimore Maritime Exchange (BMX), the Women’s Traffic Club (founded in 1934), the Propeller Club and the Maryland Motor Truck Association (founded in 1935), to name a few.

“Our customers love how quickly they can access their containers at the POB once their ships arrive,” Smith said. “Baltimore competes very well against the ‘Big Guys’ – the Ports of New York, New Jersey and Los Angeles – with relatively lower levels of delays and congestion. The Port provides Belts with opportunities to service customers who are pleased with its many competitive advantages. Over the years, introductions from members of the Port community have created many long-term relationships for Belts.”

The MDOT MPA promotes the Port to businesses around the world,

**amazon**

Several million square feet in multiple locations

**VOLVO**

1.5 million square feet assembly center/warehouse

**RH**  
RESTORATION HARDWARE

1.2 million square feet

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— Larry Smith, Belts’ Vice President for Business Development



↑ **Belts Logistics Services takes advantage of the Port’s strategic location where products can reach one-third of the U.S. population and two-thirds of the U.S. economy overnight.**



**UNDER ARMOUR**  
1.3 million square feet

and when these businesses end up choosing the POB they sometimes end up choosing Belts Logistics as their logistics partner, according to Smith.

“The MPA also does an excellent job playing ‘matchmaker’ — providing potential customers with the contact information of the providers who can best meet their logistics requirements,” he said.

Belts’ customers see how committed state and local governments are to the Port and also recognize the significant investment that Ports America has made in increasing and preserving operational efficiencies. “They feel better entering

into long-term business models that involve the POB, knowing that the POB is going to remain strong for decades to come.”

Belts is always looking for opportunities to expand and grow. “Whatever strategies we end up embracing, we know the Port of Baltimore will be a common component in all of them,” Smith said.

**THE TERMINAL CORPORATION**

is also thriving at the Port with more than 2 million square feet of warehouse space in the region. Their largest warehouse is located in the Point Breeze Business Center, which is the closest warehouse to the Seagirt Marine Terminal. This terminal moves more containers than any other facility in the Port, and its expansion has coincided with the developmental growth of Terminal Corporation.

“The growth of the Seagirt Marine Terminal has meant growth for Terminal Corp.,” said Scott Menzies, company Chairman. “We are the largest draymen of containers in Baltimore and have diversified our warehouse operations at the Point Breeze Business Center where we are adjacent to the terminal.

“We consider the MPA our partners. The sales team under Rick Powers works with us to develop new business constantly. You have to have infrastructure, and the MPA understands that and makes the investments necessary to be competitive in international commerce,” he said.



Over 2 million roasting/warehouse square feet between MD & PA locations



**TRADEPOINT ATLANTIC**, a redevelopment of the former Sparrows Point steel mill, aligns well with MDOT MPA, as its site has 3,100 acres and two Class 1 railroads. Cargo that comes into Baltimore needs a place to be stored and deployed, and Tradepoint is certainly well suited to handle these needs.

Ownership is rebuilding to meet the needs of the current market, expecting to reach 15 million square feet by the time full build-out is complete. More than 3 million square feet of modern facilities have already been built.

“Tradepoint Atlantic’s strategic partnership with the Port of Baltimore continues to bring added value and logistical advantages to shippers and customers seeking to maximize supply chain efficiencies,” said Mike Mullen, CEO of Tradepoint Atlantic. “The world class productivity of the Port of Baltimore combined with the multi-modal capabilities of our global logistics hub will drive the flow of commerce for the next generation.”

Tradepoint recently received a \$20 million TIGER grant to further boost infrastructure, the largest amount allocated to any port in 2018. “The public sector is dealing with budget

Since 2008, the **Greater Baltimore** area has grown to include:

**26 MILLION**  
more square feet of  
warehouse space

**120**  
**MORE**  
warehouses

**50% INCREASE**  
in warehouses larger than 500K square feet

➔ *The Terminal Corporation’s largest warehouse is located in the Point Breeze Business Center, which is the closest warehouse to the Seagirt Marine Terminal.*





COURTESY OF JLL

↑ *Tradepoint Atlantic, a redevelopment of the former Sparrows Point steel mill, has been a boon to the state's economy and continues to attract new business.*

deficits and high debt levels, and therefore, has to be careful about allocating funds to developments that will support growth and generate a high return. The award to Tradepoint underscores its importance to the



TRADEPOINT  
ATLANTIC

**Spec warehouse  
and other development  
in motion**

economy — locally and nationally,” industry experts said.

Perhaps most importantly, waterfront facilities still have capacity — potential that fits well with a renaissance in industrial growth around Baltimore as a whole. The Port is seen as critical to reactivating that capacity, with ample room to grow and create more jobs.

In addition, the Port is enjoying unprecedented success with its cargo. MDOT MPA officials recently reported that the public terminals at the Port had the best quarterly and six-month performance in the Port's 312-year history.



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**SEVERAL OTHER SIGNIFICANT RECORDS WERE ALSO BROKEN, INCLUDING:**

**Best Fiscal Year for General Cargo Tons:** 10.98 million  
*(old record FY17 – 10.35 million)*

**Best Quarter for General Cargo Tons:**  
2.80 million  
*(old record Q1 FY18 – 2.77 million)*

**Best First 6 Months for General Cargo Tons:** 5.56 million  
*(old record FY17 – 5.32 million)*

To help with this added growth, Governor Larry Hogan and the Maryland Board of Public Works approved a contract to turn a wet basin built for ship construction during World War II into seven more acres of storage for automobiles, roll-on/roll-off and other cargo. The project will also entail raising the elevation, adding a new storm drainage system, surfacing,

lighting and fencing and building a security booth.

The Port's track record for luring new business translates into more employment for the state. Business at the Port generates about 13,650 direct jobs, while about 127,600 jobs in Maryland are linked to Port activities.

Overall, the Port accounts for nearly \$3 billion in personal wages and salaries. In addition, the Port generates more than \$300 million in state and local tax revenues.

More supersized container ships are arriving each year at the Port through the enhanced Panama Canal, which has been a boon to business. MDOT MPA has met the logistic challenges of the increased cargo by acquiring additional property, such as a 70-acre parcel at the Point Breeze Business Center, directly behind the Seagirt Marine Terminal on Broening Highway.

"The Port of Baltimore is geographically located within a region that includes many distribution centers and warehousing facilities. Companies that have chosen to construct these facilities in close proximity to the Port of Baltimore know the many advantages of this region, including being located in one of the largest U.S. consumer markets and being very close to both Interstate 95 and Interstate 70, a direct link to the Midwest," said James J. White, Executive Director of the MDOT MPA. 🌐



**For a list of warehousing and distribution providers, visit [POBdirectory.com](http://POBdirectory.com)**

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SECURING THE PORT...  
LINE HANDLING AND SECURITY

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**24 HOUR OPERATION  
BONDED AND INSURED**

