

Port of L.A. Expects Lift from Razing Structures TRADE & TRANSPORT: Frigid Fruit

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By: JAMES RUFUS KOREN

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Asparagus, tomatoes and strawberries grown in California and bound for customers in Hawaii were the first perishable cargo processed at Apollo Freight Inc.'s new refrigerated warehouse near Los Angeles International Airport.

The facility, which has 16,000 square feet of refrigerated space, more than doubled the company's capacity for perishable goods near LAX. That means more space to handle California produce headed to Asia and the Middle East, as well as more space for processing goods stopping in Los Angeles on the way from Central and South America to Europe and Asia.

David Herbst, executive vice president of L.A.-based Apollo parent Mercury Air Group, said the company, with the help of their commercial real estate team Encon Commercial, Inc, received below market rents, and a credit allowance of \$450,000 for a total investment of about \$850,000 in its latest facility, including installing new refrigeration units, because perishable cargo is a growing industry resistant to economic woes.

"Perishables are recession-proof," Herbst said. "Folks in the Middle East want their strawberries from California. The Japanese want South American roses."

Apollo previously opened a 13,000-square-foot refrigerated warehouse on airport property in April 2009, mostly to handle flowers imported from South America headed to Asia and to domestic destinations. The new warehouse, which is leased from San Francisco logistics giant Prologis Inc., opened Oct. 26. It will mostly be used to process and repackage produce coming into Los Angeles through the ports of Los Angeles and Long Beach, and on international flights into LAX.

