

Board OKs flower-hub plan for Toledo Express Airport

A plan to develop Toledo Express Airport as a hub for processing and distributing imported flowers got a thumbs-up yesterday from the Toledo-Lucas County Port Authority board of directors.

The board approved a five-year lease with Global Perishables Exchange and Express, a startup company, for a 6,000-square-foot portion of an existing airport building on the north side, plus an option to lease land on the airport's south side near BEX Global that Glopexx could use to build a larger facility of its own if its venture succeeds.

A. Bailey Stanbery, a port board member, called the project "a first step" toward realizing Toledo Express' potential as a major cargo hub.

Colleague William Carroll said developing cargo business is critical to the airport's future because it's "almost inevitable that we're not going to be able to compete with Detroit for passengers."

Brian Friedman, Glopexx's president and primary investor, said he hopes the first planeload of flowers from South America can be delivered by early November.

"With this lease, now we can line up our customers and arrange more capital for the project," Mr. Friedman said after the board approved the deal by an 11-0 vote. Members Dennis Duffey and Doni Miller, the board's chairman, were absent.

Glopexx initially will use a portion of the Air Cargo Building, adjacent to the main passenger terminal, for its operations. The port authority spent \$500,000 to renovate half of that building to create 4,400 square feet of refrigerated merchandise-handling space plus offices for the company and government inspectors.

The agency will lease the facility to Glopexx for \$8,000 a month, with the first six months' rent waived to assist in getting the business started. Landing fees for flights serving the facility would be waived during that time as well.

As he did during a presentation to the board's airport committee last week, Airport Director Paul Toth opened the discussion yesterday by explaining that parties throughout the imported-flowers supply chain in the United States are dissatisfied with current procedures, under which nearly all South American flowers arrive in Miami and are trucked to the Midwest after inspection and processing.

Toledo is ideally situated to become a new hub for the business, Mr. Toth said, but it has no track record and thus flower buyers are reluctant to be the first to commit to a new distribution system even if the existing one is flawed.

The Glopexx proposal will provide the means to develop the desired track record, he said. While supporting the concept, board member Michael Frank voiced concern that an investor group led by real-estate developer and former port director Tom Schlachter had withdrawn from the project since October, when the board approved funding for the Air Cargo Building's improvements. Mr. Schlachter's group had been expected to provide \$1.5 million in capital to

Glopexx, whereas Mr. Friedman so far has disclosed only a \$300,000 commitment of his own money to the project.

"I personally believe this project is woefully undercapitalized," Mr. Frank said.

But Mr. Friedman said other investors have been lined up for Glopexx. "We won't start it unless we have enough money to achieve the credibility we need," he said.

In a telephone interview earlier this week, Mr. Schlachter said the only reason he withdrew from Glopexx was uncertainty over how long the company would take to become profitable. "I've been to Ecuador and heard the [flower] growers say they're losing market share because of the logjam in Miami," Mr. Schlachter said. "It's just a question of getting enough cargo into the early flights."