



[FedEx set to build center in Otay Mesa](#)

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By Dean Calbreath

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Countering a growing trend of layoffs and hiring freezes, Federal Express plans to break ground tomorrow on a \$26 million distribution center in Otay Mesa that will create jobs for at least 140 workers in the South Bay.

In addition, FedEx executives estimate that the building – at 10132 Airway Blvd. – will temporarily create work for 250 construction workers before it opens this fall.

Cindy Gompper-Graves, chief executive of the South County Economic Development Corp., said the facility was a bright sign for the South Bay, which has some of the county's highest unemployment rates.

“If you have a Fortune 500 company choosing to invest \$26 million in South County, it shows that companies are still growing and that even in bad economic times, there are companies that build so they can prepare for better times,” said Gompper-Graves, whose agency played an instrumental role in helping FedEx find a location.

FedEx's ground division operates two distribution centers in the county and employs about 350 full-and part-time workers, including truck drivers and independent contractors.

The company decided that it needed to open a new distribution center to handle an increase in business.

“There's a definite trend in growth in the San Diego area, and we're responding to that,” said FedEx spokesman David Westrick. “We all know that the economy's changing in lots of ways. But we needed to increase our capacity to serve San Diego.”

In January, DHL Express, which had been one of FedEx's biggest competitors, ended its domestic air and ground services in the United States, while continuing to offer international delivery. DHL's move left the domestic market dominated by three players: FedEx, UPS and the U.S. Postal Service.

Westrick said DHL's cutbacks were responsible for “only a small part” of FedEx's increased business in San Diego.

“We've been growing solidly for years, so DHL did not have a direct impact” on the decision to build a new center, he said.

In its initial phase, the distribution center will be about 130,000 square feet, with a work force of between 140 and 160 employees, including package handlers, clerks, technicians, service managers and drivers.

FedEx has contingency plans that could expand the facility to a total of 165,000 square feet, with as many as 230 workers.

“We have no projections of when (the) center might be built out,” Westrick said. “We build all our facilities so they can be easily expanded, but it's really tough to say when that might happen.”

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Construction will begin on a new Otay Mesa distribution center for FedEx Ground, March 5.

When completed the 130,000-square-foot distribution center will employ 140.

The \$26 million project is expected to be completed near the end of 2009. The facility is expandable to 165,000 square feet and will be situated on a 19-acre lot.

At full capacity, the distribution center will employ 230 as package handlers, clerks, technicians, service managers, shift workers and drivers. In the interest of bringing such jobs to the region, the South County Economic Development Council worked closely with FedEx to identify a favorable location.

The new facility has room for 70 delivery vans and anticipates delivering 12,500 packages each day.

The new distribution center will be FedEx's third in the San Diego region. FedEx has a network of more than 500 distribution centers throughout the United States and Canada. The company reported annual revenues of \$6.7 billion in fiscal year 2008.