

Money MAKERS

THIS WEEK'S HOT BUSINESS LEADS

■ **Summit Contracting Group Inc.** won a \$9.6 million contract to build apartment buildings in Jonesboro, Ark. Willow Creek Properties LLC awarded the contract for five buildings consisting of 180 units and a clubhouse. BGO Architects, based in Dallas, handled the architectural and construction documents. For more information, call Summit Contracting, based in Jacksonville, at 268-5515.

■ **Mountain Real Estate Capital** of Charlotte, N.C., and **GreenPointe Communities**, a division of GreenPointe Holdings LLC of Jacksonville, bought the Cedar Bay and Heron's Walk residential developments on Jacksonville's Northside for \$4 million. Mountain and GreenPointe plan to build 78 homes at Cedar Bay and sell the remaining 109 lots at Heron's Walk and Cedar Bay to homebuilders.

■ **Drace Construction Inc.** received a city of Jacksonville building permit July 6 for the \$760,000 interior remodeling of a school on Beach Boulevard. The company will remodel the second floor of the River City Science Academy's Beach campus at 7565 Beach Blvd. For more information, call Drace Construction, based in Fernandina Beach, at 261-1173.

■ **McIntyre Elwell & Strammer General Contractors Inc.** received a building permit June 28 for \$550,112 of interior alterations to a Publix supermarket in Mandarin. The supermarket is at 11406 San Jose Blvd. For more information, call McIntyre Elwell & Strammer, based in Sarasota, at (941) 377-6800.

■ **Bahri Construction Inc.** received a building permit July 1 for the \$260,000 interior build-out of a gym on the Southside. The work is for Pulse Fitness Gym at 9726 Touchton Road. For more information, contact Bahri Construction, based in Jacksonville, at 737-7323.

For information on local projects funded by the federal stimulus program, check this link on our website: <http://jacksonville.bizjournals.com/stimulus>.

For more money-making tips, visit our Leads section on Page 19.

Got a Money Makers tip?
E-mail to Robert Ward, at rward@bizjournals.com or call 265-2224.

W&O rides the wave with navy work

BY MARK SZAKONYI
STAFF WRITER

JACKSONVILLE — A Jacksonville marine supplier is increasingly tapping into navy repair work ranging from the newest combat ships to be home-ported at Mayport to the growing fleets of foreign navies.

With the commercial market slowly recovering, W&O Supply Inc. is ramping up its focus on navy contracts by involving itself in the design and engineering of the U.S. Navy's littoral combat ships. The company generates about \$60 million annually through navy work, but aims to increase that to \$100 million annually within the next five years, said Jack Guidry, CEO and president of W&O and its parent company, PVI Holdings Inc.



Guidry

That increase in navy work coupled with planned acquisitions will allow the company to achieve its goal of growing annual revenue from about \$160 million to \$250 million by 2012, said Michael Hume, W&O's chief operating officer. The company is looking to acquire regional companies with expertise in ship engine repairs.

"It's a very fragmented industry," he said. "There are very few nationwide players, so we have the opportunity to find regional companies and take them nationwide."

After an end to six or seven years of prosperity, potential acquisitions are more realistic regarding their worth, Hume said. The company's last major acquisition was its purchase of Valco/Premier Group, a Virginia-based group with copper and piping production assets.

PVI Holdings, which is also based in Jacksonville and is



The Littoral Combat Ship Independence was built in Mobile, Ala., delivered to the Navy in December, and it completed its maiden voyage in April.

the American subsidiary of the Dutch company Pon Holdings B.V., bought Carter Chambers earlier this year for an undisclosed amount. The merging of Carter Chambers with PVI's Desselte-Maggard Corp., is aimed at making it one of the largest providers of industrial automation and valve services in the Southeast.

W&O has offices throughout the U.S. and most recently opened branches in Vancouver, British Columbia; and Rotterdam, Netherlands. It also has an office in Antwerp, Belgium. The company's own global push has paid off by gaining supply contracts for the Brazilian, Egyptian, Australian, Colombian, German and Spanish navies.

The repair and moderniza-

W&O SUPPLY INC.

President and CEO: Jack Guidry

Ownership: Private

Headquarters: Jacksonville

Annual revenue: \$160 million

Employees: Sixty-five of its 286 employees work in Jacksonville.

SOURCE: W&O Supply Inc.

tion of foreign navies is a huge market, but it can be difficult for American companies to get work because the competition is fierce, said Eric Wertheim, a defense consultant. The plus is that navies willing to pay for excellent service and products will go with companies that have experience with the vessel, and many American companies are in that experienced

Jones Act repeal would hurt local shipping firms

BY MARK SZAKONYI
STAFF WRITER

JACKSONVILLE — Sen. John McCain's proposed repeal of an 80-year-old maritime law could, if passed, shake up Jacksonville's most entrenched trade lane and endanger three hometown shipping companies dependent on it.

McCain, R-Ariz., argues that requiring all goods shipped between the nation's ports to be transported by U.S.-built ships and sailed by American crews is protectionist and raises prices by excluding foreign competition. Supporters of the Jones Act counter that the law preserves security and the domestic maritime industries.

The repeal of the law "would be devastating," said Fred Schloth, Sea Star Line LLC's assistant vice president of marketing. "When you look at [shipping] rates to Puerto Rico,

they're already competitive and can't come down more."

The shipping service to the island is the core business of Sea Star and fellow Jacksonville-based company Trailer Bridge Inc. The repeal of the Jones Act could give Crowley Maritime Corp. more competition in Puerto Rico and in its services ranging from towing to oil transport in its North American coasts, Alaskan and Hawaiian markets.

Horizon Lines Inc., based in Charlotte, N.C., also provides shipping service from Jacksonville to Puerto Rico, along with Crimson Shipping Co. Inc. and Seaboard Marine Ltd., which operate out of the Port of Fernandina. The amount of trade with Puerto Rico has been declining for years and only recently has shown signs of stabilization and growth.



Schloth

Shipping experts hope that Puerto Rico's Gov. Luis Fortuno will cut down on bureaucracy and revive the island's ailing manufacturing sector.

Even with Puerto Rico's economic malaise, the amount of cargo handled on the trade lane was about 2.3 million tons, or roughly one-third of all tonnage handled by the Jacksonville Port Authority's tenants and customers in fiscal 2009, which ends Sept. 30. The figure doesn't take into account the volumes handled by Crowley.

The drive to repeal the law was spurred by reports that the Jones Act was preventing foreign skimmers from aiding in the cleanup of the Gulf of Mexico oil spill. FactCheck.org, a nonprofit website, denounced the claim. Coast Guard Adm. Thad Allen said no Jones Act waivers had been requested and foreign