



S E A P O R T S

# INTERMODAL LOGISTICS CENTERS SERVING FLORIDA SEAPORTS



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# DEFINING FLORIDA'S OBJECTIVES FOR INTERMODAL LOGISTICS CENTERS



## 1.1 Study Introduction & Purpose

The Florida Department of Transportation (FDOT) is charged with developing and implementing a *Statewide Seaport and Waterways System Plan* and the *Freight Mobility and Trade Plan*, along with conducting other studies and data collection efforts in order to assess and address freight mobility needs, including those associated with Florida's seaports and their landside connectivity. As part of this charge, intermodal logistics centers (ILCs) have emerged as key hubs in the supply chain that could help Florida's ports grow and expand. Over the last decade, seaports, private companies, local governments, and the state have explored opportunities to use ILCs to support growth in maritime trade and improve Florida's supply chain capacity and competitiveness. This included identification of potential locations for ILCs as well as discussions related to size, proximity, modal connections, and other service offerings. While some of these sites are shovel ready, or have initial developments underway, others have not advanced. The purpose of this effort is to document existing ILCs and areas of potential ILC growth in Florida, along with an analysis of sites in other southeastern states to better understand Florida's competitive position, better understand the role ILCs do or could play in Florida, and explore the appropriate role of the state in supporting their development.

It should be noted that the term ILC is defined differently by different entities or states throughout this report, reflecting the diverse forms these facilities can take. ILC and inland port are sometimes used to reflect differences, and sometimes are used interchangeably. In the context of this initiative, FDOT is most interested in how these types of facilities can support the competitiveness and growth of Florida's seaports. The definitions discussed reflect on examples in Florida that address this goal and are supplemented by examples in nearby states.

This report is organized into four sections, each supported by interviews with relevant public and private stakeholders, including the following:

Section 1: Definition of an ILC and the state's role in development

Section 2: ILCs in the southeastern United States and how Florida competes with them

Section 3: Existing and areas of potential ILC growth in Florida

Section 4: Recommendations for developing a statewide ILC strategy

## 1.2 Introduction

The purpose of this section is to define the state of Florida's objectives for participating in the development and advancement of ILCs that benefit Florida seaports and the state's position as a global trade hub. ILCs are currently a part of the state's transportation network as freight terminals within the Strategic Intermodal System (SIS) when designation criteria are met and, previously, access improvements to qualifying ILCs were eligible for funding in the now closed ILC Infrastructure Support Program. FDOT's role to date has consisted of helping fund access improvements for a limited number of sites that successfully pursued funds through these two programs. Other economic development-focused organizations have also led efforts to help prepare sites to attract industry. In addition, private industry has continued to invest in and develop ILC capacity at locations like Winter Haven, America's Gateway, and Cecil Field. Given the role the state has played to date, the question remains, what role should the state play in the future to help advance Florida's competitiveness through investment in ILCs. This section will provide a basis for understanding this future role.



## 1.3 Definitions of Intermodal Logistics Centers

Early ILC concepts in Florida began with looking at “inland ports” associated with an initiative by the Port of Palm Beach to help promote the development of an ILC to serve the southeast Florida market. The initial definition of an inland port is documented through presentations from the Port of Palm Beach as well as the *South Florida Inland Port Feasibility Study* which was completed by FDOT in 2007 to explore the feasibility of such a facility at a centralized location in South Florida to provide a hub of port-related operations and storage facilities with truck and rail connections to the region’s seaports and truck access to regional markets. These early definitions focused on “inland” or “rural” locations which are centrally located in order to have efficient access to existing freight facilities and strong connections to key markets.

This inland port concept carried forward to the Florida Chamber Foundation’s Trade & Logistics (T&L) Studies. The initial report completed in 2010, *Florida Trade & Logistics Study (2010)*, included definitions for both an inland port and an ILC. A distinct difference made at the time was that, while they served similar functions, an inland port carries out the functions of a seaport whereas an ILC is not necessarily linked to a seaport. These definitions preserved the idea of the use of both rail and trucking while expanding the use to both warehouse and distribution. The follow up study, *Florida Trade & Logistics Study 2.0 (2013)*, no longer included the mention of an inland port and instead focused solely on ILCs. This new definition, which is relatively consistent with the third study, *Florida Trade & Logistics 2030 Study (2022)*, makes no mention of a requirement that an ILC connect to a seaport. These two definitions also no longer mention the specific use of rail or truck to serve such a facility but rather detail the types of value-added services which may be performed within an ILC including warehousing, assembly, packaging, and fumigation.

### ILC DEFINITIONS

- *Port of Palm Beach Inland Port Cargo Complex Presentation (2006)*—An inland port is a “distribution site to provide opportunities to support intermodal transfers between ship, rail, and truck operations, typically located in a rural setting where land costs and land uses are less restrictive. Inland ports must be centrally located to key markets and have efficient access to freight facilities which are over or near capacity.”<sup>1</sup>
- *South Florida Inland Port Feasibility Study (2007)*—An inland port is “generally understood to be an inland facility that is affiliated with one or more seaports and serves as an extension of the services that are typically provided by a port at its seaside terminal.”<sup>2</sup>
- *Florida Trade & Logistics Study 2010*—An inland port is an “inland site carrying out some functions of a seaport.”
- *Florida Trade & Logistics Study 2010*—An intermodal logistics center is an “industrial site with warehouse/distribution center capacity, intermodal rail yard, and trucking facilities; similar to an inland port but not necessarily linked to a seaport.”<sup>3</sup>

<sup>1</sup> *Inland Port Cargo Complex*. Port of Palm Beach. [http://www.ftc.state.fl.us/documents/Presentations/Port\\_of\\_Palm\\_Beach\\_Inland\\_Port\\_\(9-7-06\).pdf](http://www.ftc.state.fl.us/documents/Presentations/Port_of_Palm_Beach_Inland_Port_(9-7-06).pdf)

<sup>2</sup> *South Florida Inland Port Feasibility Study*. Florida Department of Transportation. June 2007. [https://fdotwww.blob.core.windows.net/sitefinity/docs/default-source/content/seaport/pdfs/sfl\\_inland\\_port\\_final\\_report\\_11\\_07.pdf?sfvrsn=d53ef422\\_0](https://fdotwww.blob.core.windows.net/sitefinity/docs/default-source/content/seaport/pdfs/sfl_inland_port_final_report_11_07.pdf?sfvrsn=d53ef422_0)

<sup>3</sup> *Florida Trade & Logistics Study 2010*. Florida Chamber of Commerce. <https://www.flchamber.com/research/research-programs/florida-trade-and-logistics-study-2010/>

During the timeframe of the development of these studies, an ILC was defined in Florida Statute as part of the creation of the ILC Infrastructure Support Program discussed below. This definition is also used in Florida's *Freight Mobility and Trade Plan (FMTP)* last updated in 2020. This definition does specify that an ILC must have a connection to one or more of Florida's seaports unlike the T&L studies. While the statute does mention "intermodal transfer", it does not specify the use of truck or rail as the earlier definitions did. Lastly, this state definition removes the mention of "inland" or "rural" which was more commonly tied to the use of the "inland port" term and instead states that an ILC should be physically separated from a seaport.

The inclusion of ILCs in Florida Statute helped incorporate ILCs into Florida's Strategic Intermodal System (SIS).<sup>7</sup> The SIS was established in 2003 to focus limited transportation resources on the facilities most significant for interregional, interstate, and international travel. The inclusion of a facility on the SIS allows for additional funding opportunities. In order for an ILC to be added to this list, it must meet the following criteria:

- Meets the definition of an ILC (311.102(2), F.S.).
- Provides ability to accommodate and support, within a logistics chain that may span multiple modes and handling steps, domestic or international trade moving to or from a SIS seaport or airport.
- Is identified in a local comprehensive plan or local government development order as an intermodal logistics center or equivalent planning term.

#### ILC DEFINITIONS (CONTINUED)

- *Florida Trade & Logistics Study 2.0 (2013)*—An intermodal logistics center "provides for the transfer of freight between vehicles or vessels and also provides value-added logistics service such as consolidation/deconsolidation, warehousing, assembly, customization, finishing, packaging, cold storage, or fumigation."<sup>4</sup>
- *Florida Trade & Logistics 2030 Study (2022)*—An intermodal Logistics Center is a "multi-modal facility that allows for transfer of freight between vehicles or vessels and provides logistics support services such as warehousing, assembly, packaging, scheduling, and brokerage."<sup>5</sup>
- Section 311.101(2), F.S.: the term "intermodal logistics center (ILC)", including, but not limited to, an "inland port", means a facility or group of facilities serving as a point of intermodal transfer of freight in a specific area physically separated from a seaport where activities relating to transport, logistics, goods distribution, consolidation, or value-added activities are carried out and whose activities and services are designed to support or be supported by conveyance or shipping through one or more seaports listed in S. 311.09, F.S.<sup>6</sup>

<sup>4</sup> *Florida Trade & Logistics Study 2.0*. Florida Chamber of Commerce. [http://www.flchamber.com/wp-content/uploads/2016/06/Florida\\_Made-for-Trade\\_Trade-and-Logistics-Study2.0.pdf](http://www.flchamber.com/wp-content/uploads/2016/06/Florida_Made-for-Trade_Trade-and-Logistics-Study2.0.pdf)

<sup>5</sup> *Florida Trade & Logistics 2030 Study*. Florida Chamber of Commerce. <https://www.flchamber.com/fltl2030>

<sup>6</sup> *Chapter 311 Seaport Programs and Facilities*. Florida Legislature. [http://www.leg.state.fl.us/statutes/index.cfm?App\\_mode=Display\\_Statute&Search\\_String=&URL=0300-0399/0311/Sections/0311.101.html](http://www.leg.state.fl.us/statutes/index.cfm?App_mode=Display_Statute&Search_String=&URL=0300-0399/0311/Sections/0311.101.html)

<sup>7</sup> *Florida's Strategic Intermodal System (SIS)*. Florida Department of Transportation. <https://www.fdot.gov/planning/sis/default.shtm>

- Meets minimum size thresholds for cargo throughput, consistent with existing SIS hub criteria for the type of intermodal movement primarily handled by the ILC. (e.g., air cargo-to-truck tonnage - 2.5% of Florida total; waterborne container-to-truck or -rail TEUs - 1% of Florida total; intermodal rail terminal units - 5% of Florida total).<sup>8</sup>

At present, while no ILC in Florida meets the criteria for designation as a SIS ILC, one facility, Florida's Gateway in District 1, does meet the Strategic Growth criteria as defined below:

- Must meet at least one of the following:
  - » Is the facility projected to meet SIS minimum activity levels within three years of being designated?
  - » Is the facility determined by FDOT to be of compelling state interest, such as serving a unique marketing niche or potentially becoming the most strategic facility in a region that has no designated SIS facility?
- Must meet all of the following:
  - » Does the facility have a current master plan as well as a prioritized list of production ready projects?
  - » Is the facility identified in a local government comprehensive plan, Comprehensive Economic Development Strategy (CEDS), Transit Development Plan, or equivalent?
  - » Does the facility have partner and public consensus on viability of a new or significantly expanded facility?
  - » Does the facility meet Community and Environment screening criteria?<sup>9</sup>

These criteria further emphasize the importance of coordination with local governments and public and private support. The criteria for designating ILCs as part of the SIS has not resulted in a network of ILCs in Florida which suggests a need to evaluate how these criteria may be changed to successfully develop such a network. The next section provides a more detailed discussion of how the state and its local government partners are currently supporting ILCs.

## 1.4 Role of the State in Intermodal Logistics Centers

The development of a competitive ILC relies upon support from both public and private partners at all levels of the community. Table 1.1 lists examples of programs available at the federal, state, and county level that support ILC development. While federal programs available through the Infrastructure Investment and Jobs Act (IIJA), such as the INFRA<sup>10</sup> grant program, are not controlled by the state of Florida, applying for these grants often requires state and local coordination as well as matching financial support. As mentioned in Table 1.1, ILC development projects have been successful in receiving funding. FDOT and seaport partners have also been successful in winning these types of competitive grants for other projects such as the \$15 million award to the I-4 West Central Florida Truck Parking Facility,

<sup>8</sup> *Strategic Intermodal System Designation Criteria*. Florida Department of Transportation. [https://fdotwww.blob.core.windows.net/sitefinity/docs/default-source/planning/sis/designation/sis\\_designation\\_criteria.pdf?sfvrsn=1f0aef1e\\_2](https://fdotwww.blob.core.windows.net/sitefinity/docs/default-source/planning/sis/designation/sis_designation_criteria.pdf?sfvrsn=1f0aef1e_2)

<sup>9</sup> *Strategic Intermodal System: Intermodal Logistic Centers*. Florida Department of Transportation. [https://fdotwww.blob.core.windows.net/sitefinity/docs/default-source/planning/systems/programs/mspi/brochures/sis-intermodal-logistic-centers.pdf?sfvrsn=4fa4b031\\_2](https://fdotwww.blob.core.windows.net/sitefinity/docs/default-source/planning/systems/programs/mspi/brochures/sis-intermodal-logistic-centers.pdf?sfvrsn=4fa4b031_2)

<sup>10</sup> Statutorily, INFRA is known as the Nationally Significant Multimodal Freight & Highway Projects.

the \$12 million award to SeaPort Manatee for the South Port Container Yard and Electrification Project (Phase 3),<sup>11</sup> and the nearly \$20 million award to Port Tampa Bay for Container Berth 214 and cargo yard.<sup>12</sup> The awards available through these competitive, discretionary grant programs are typically significantly more than what was previously available through Florida's ILC Infrastructure Support Program. This program provided at least \$5 million annually from the State Transportation Trust Fund for infrastructure enhancements such as road construction, rail expansion, and dock improvements, with maximum awards of \$2.5 million per applicant.

While this program provided millions of dollars in funding to help fund access improvements, it is a small percentage of the total cost of developing an ILC, which includes permitting, environmental, right-of-way (ROW) acquisition, engineering, and construction. This level of monetary support is similar to what has been awarded to date for ILC development support through the Job Growth Grant Fund. The City of Winter Haven received \$9.4 million for infrastructure and job training from their recent application with \$6.4 million coming from Florida's Job Growth Grant Fund and \$3 million from FDOT.<sup>13</sup> FDOT funds will go directly to road improvements for the Winter Haven ILC. These grant awards amount to less than 2 percent of the anticipated total \$500 million in capital investments to be invested by private sector developers and ILC users once the new roadway is in place.<sup>14</sup> This is also significantly less investment than several neighboring states have contributed towards industrial development in order to attract new businesses. For example, Georgia is offering \$1.5 billion in state and local incentives for Rivian<sup>15</sup> and North Carolina offered \$1.2 billion for VinFast<sup>16</sup> factories.<sup>17</sup> The difference in how other southeastern states have advanced ILC development will be further explored in Section 2.0.

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<sup>11</sup> *INFRA 2022 Awards Fact Sheets*. U.S. Department of Transportation. <https://www.transportation.gov/sites/dot.gov/files/2022-09/INFRA%202022%20Fact%20Sheets%20%281%29.pdf>

<sup>12</sup> *2020 INFRA Grant Awards Data File*. U.S. Department of Transportation. <https://www.transportation.gov/buildamerica/financing/infra-grants/2020-infra-grant-awards-data-file>

<sup>13</sup> *DeSantis: Winter Haven to get \$9.4M for infrastructure, job training*. 10 Tampa Bay. October 11, 2021. <https://www.wtsp.com/article/news/local/polkcounty/winter-haven-job-growth-grant-desantis/67-81bc1b94-f4b4-44f7-9ba2-6e5b122a310f>

<sup>14</sup> *Winter Haven Job Growth Grant Fund Public Infrastructure Grant Proposal*. [https://www.floridajobs.org/docs/default-source/florida-job-growth-grants-proposals/awarded-2021-2022/public-infrastructure/pi-city-of-winter-haven-proposal-redacted.pdf?sfvrsn=8b4651b0\\_4](https://www.floridajobs.org/docs/default-source/florida-job-growth-grants-proposals/awarded-2021-2022/public-infrastructure/pi-city-of-winter-haven-proposal-redacted.pdf?sfvrsn=8b4651b0_4)

<sup>15</sup> Rivian is an electric vehicle manufacturer and automotive technology company. Additional information is available at their website. <https://rivian.com/>

<sup>16</sup> VinFast is a leading Vietnamese electric car manufacturer focused on affordable and luxury electric cars. Additional information is available at their website. <https://vinfastauto.us/>

<sup>17</sup> *States are spending billion on electric vehicles in battle to replace automotive capital Michigan*. CNBC. July 7, 2022. <https://www.cnbc.com/2022/07/07/states-spend-billions-on-evs-to-replace-automotive-capital-michigan.html>

**TABLE 1.1 EXISTING AND PREVIOUS PROGRAMS TO SUPPORT ILC DEVELOPMENT**

Program	Level	Description
Infrastructure Investment and Jobs Act (IIJA)	Federal	The IIJA increased competitive grant funding by more than 50% which allows for nationally or regionally significant multimodal freight and highway projects that improve safety, efficiency, and reliability of the movement of freight and people to receive additional financial support. ILCs are eligible to receive funding through these federal grants as evidenced by the allocation of \$110 million to the City of New York for the redevelopment of the Hunts Point Terminal Produce Market. <sup>18</sup>
Economic Development Administration (EDA)	Federal/State	The EDA provides grants to economically distressed communities to generate new employment and stimulate industrial and commercial growth. Within Florida there are 10 different regional planning councils falling under the umbrella of economic development in addition to the state office, Enterprise Florida. <sup>19</sup>
Intermodal Logistics Center Infrastructure Support Program (closed)	State	To provide funds for roads, rail facilities, or other means for the conveyance or shipment of goods through a seaport to or from an ILC. To be considered eligible for funding under the ILC Infrastructure Support Program, a project must have met the criteria established in Section 311.101(3), F.S., <sup>20</sup> and in 14-118 FAC <sup>21</sup> . Past projects included infrastructure enhancements such as road construction, rail expansion, and dock improvements. This support program ended in July 2020 and is no longer accepting applications.
Strategic Intermodal System (SIS)	State	The SIS is Florida's high priority network of transportation facilities important to the state's economy and mobility. As such, the SIS is the highest priority for transportation capacity investments and a primary focus for implementing the Florida Transportation Plan (FTP). The current SIS Adopted 5-Year Plan (Fiscal Year 2022/2023 – 2026/2027) includes over \$15 billion for roadway and modal improvements. <sup>22</sup> Currently no ILCs are included in the SIS and therefore do not receive this funding although it is an option for future development.
Job Growth Grant Fund <sup>23</sup>	State	An economic development program designed to promote public infrastructure and workforce training across the state. Proposals are reviewed by the Florida Department of Economic Opportunity (DEO) and Enterprise Florida, Inc. (EFI) and chosen by the Governor to meet the demand for workforce or infrastructure needs in the community they are awarded to. The City of Winter Haven was among the awarded proposals for 2021 – 2022 to support the construction of a roadway at Winter Haven's ILC. <sup>24</sup>

<sup>18</sup> USDOT awards \$1.5B of INFRA Grants. The Construction Broadsheet. September 15, 2022.

<https://theconstructionbroadsheet.com/usdot-awards-b-of-infra-grants-p1051-175.htm>

<sup>19</sup> Economic Development Directory. U.S. Economic Development Administration. <https://www.eda.gov/resources/directory/states/fl.htm>

<sup>20</sup> Chapter 311 Seaport Programs and Facilities. Florida Legislature.

[http://www.leg.state.fl.us/statutes/index.cfm?App\\_mode=Display\\_Statute&Search\\_String=&URL=0300-0399/0311/Sections/0311.101.html](http://www.leg.state.fl.us/statutes/index.cfm?App_mode=Display_Statute&Search_String=&URL=0300-0399/0311/Sections/0311.101.html)

<sup>21</sup> Rule Chapter 14-118. Florida Administrative Code & Florida Administrative Register.

<https://www.flrules.org/gateway/ChapterHome.asp?Chapter=14-118>

<sup>22</sup> SIS Plans and Projects. Florida Department of Transportation Systems Implementation Office.

<https://www.fdot.gov/planning/systems/programs/mspi/plans>

<sup>23</sup> Florida Job Growth Grant Fund. Florida Department of Economic Opportunity. <https://floridajobs.org/jobgrowth>

<sup>24</sup> Awarded Proposals. Florida Department of Economic Opportunity. <https://www.floridajobs.org/jobgrowth/awarded-proposals>

Program	Level	Description
Industrial Development Authorities (IDA) <sup>25</sup>	State/County	Florida Statute Section 159.46 allows for the creation of industrial development authorities for the purpose of fostering the economic development of a county. <sup>26</sup> Many of Florida's counties have taken advantage of creating such an authority such as St. Johns, <sup>27</sup> Orange, <sup>28</sup> Polk, <sup>29</sup> Hillsborough, <sup>30</sup> Calhoun, <sup>31</sup> and Sumter <sup>32</sup> .

## 1.5 Gaps in State Support for Intermodal Logistics Centers

Each of the programs mentioned in Table 1.1 in the previous section has an opportunity to provide funding support for ILC development. This support may also include other non-monetary support such as letters of support for federal grant applications. However, as mentioned, monetary support can make a significant difference when competing for new business and has a cascading impact on other causes for a lag in ILC development. The below includes some of the areas identified by stakeholders which could benefit from state involvement.

**Cost of Development** – The development of a new ILC facility can require hundreds of millions in dollars in investment and go beyond the transportation and distribution functionality. Other states compete for these new facilities, and they often bring economic incentives valued in the hundreds of millions to billions of dollars. These investments are designed to attract the key anchor tenant, which often consists of a major manufacturer which provides the host community significant economic benefits well beyond a transportation hub. Many of Florida's existing programs do not provide this magnitude of support and make it difficult for local communities to compete against larger economic incentive packages. Florida's ILC support programs have primarily focused on surrounding roadway improvements whereas these economic packages include a broad scope of benefits such as a reduction in property taxes and community college training. The state of Florida could improve support in this area by offering larger economic incentives for companies to relocate to the state.

**Cost of Transportation** – Similar to the cost of development, moving product to and from an ILC can be a challenge. Namely, stakeholders identified that adding an extra movement of a container from a seaport to an ILC would significantly increase the cost of goods, particularly when truck movements are involved. Rail movements are also impacted by costs when products must switch between railroads (e.g., from FEC to CSX) and are less economical for distances under 300

<sup>25</sup> St. Johns County Government. <http://www.sjcfi.us/ida/>

<sup>26</sup> Chapter 159 Bond Financing. Florida Statute. [http://www.leg.state.fl.us/statutes/index.cfm?App\\_mode=Display\\_Statute&Search\\_String=&URL=0100-0199/0159/Sections/0159.46.html](http://www.leg.state.fl.us/statutes/index.cfm?App_mode=Display_Statute&Search_String=&URL=0100-0199/0159/Sections/0159.46.html)

<sup>27</sup> Industrial Development Authority. St. Johns County Government. <http://www.sjcfi.us/ida/>

<sup>28</sup> Orange County Industrial Development Authority. Orange County Government. [https://www.ocfl.net/Home/SpecialDistricts/OCIndustrialDevelopmentAuthority.aspx#\\_Y3KKXnbMK70](https://www.ocfl.net/Home/SpecialDistricts/OCIndustrialDevelopmentAuthority.aspx#_Y3KKXnbMK70)

<sup>29</sup> Industrial Development Authority. Polk County. <https://www.polk-county.net/industrial-development-authority>

<sup>30</sup> Industrial Development Authority. Hillsborough County. <https://www.hillsboroughcounty.org/en/government/boards-and-committees/e-l/industrial-development-authority>

<sup>31</sup> Industrial Development Authority. Calhoun County. <https://calhouncountygov.com/departments/industrial-development-authority/>

<sup>32</sup> Industrial Development Authority. Sumter County. <https://www.sumtercountyfl.gov/579/Industrial-Development-Authority>



miles. The cost of transportation must be offset by a value add in the overall supply chain. The state of Florida could improve support in this area by finding ways to reduce transportation costs within the state.

***Availability of Housing for Workforce***— As new ILCs are developed, a workforce is needed to support the warehouse, manufacturing, and distribution activities, as well as the needs of other industrial tenants. With many ILCs proposed in Florida's more rural counties, some of which are discussed in Section 3.0, housing can be difficult to acquire in order to attract and retain workers in the area. The state of Florida could improve support in this area by tying industrial and residential development together when providing economic incentives such that both are available when needed.

***Multi-modal Transportation Access for Workforce***— Housing is one piece of the equation for supporting a workforce at an ILC facility. Access to reliable, safe, and cost-effective transportation to reach employment is another. With many ILCs proposed in Florida's more rural counties, it is imperative to ensure a well-rounded and diverse transportation system exists to provide access to employment for individuals of all ages, abilities, and socio-economic status. The state of Florida could improve support in this area through encouragement of compact, mixed-use developments that are known to encourage public transit and active transportation usage. In addition, the state of Florida could provide both planning and financial support to its transit partners to ensure successful implementation and/or expansion of transit services for the proposed ILC locations.

***Workforce Training***— As new ILCs are developed, offering training to help recruit, train and retain the diverse workforce needed at an ILC facility will be critical. The four components of training, housing, transportation, and available jobs often creates a chicken and the egg scenario of which comes first. The state of Florida could improve support in this area by encouraging co-development of housing and training facilities served by public transit in order to ensure that all needs are met simultaneously. This can also better market a community for a new development as the workforce would be ready to serve a new facility.

***Trade Imbalance***— Florida has long been known as a consuming state as the nearly 22 million residents need products to support their lifestyles and the 130 million plus visitors need goods and services to support their vacations. The significant amount of product coming into the state compared with what leaves can also have a substantial impact on transportation pricing. In some locations, 90 percent of products passing through a facility are inbound to Florida compared with only 10 percent outbound from Florida. As such, inbound loads must charge more to compensate for not having an outbound load. The state of Florida could improve support in this area by targeting businesses that can reduce this imbalance by generating outbound shipments. These outbound shipments could consist of the domestic distribution of imported discretionary cargo through Florida's seaports, and/or through the development of manufacturing facilities within the ILCs. Key economic development agencies at the state and regional levels have long identified growth in manufacturing as a critical goal for the state.

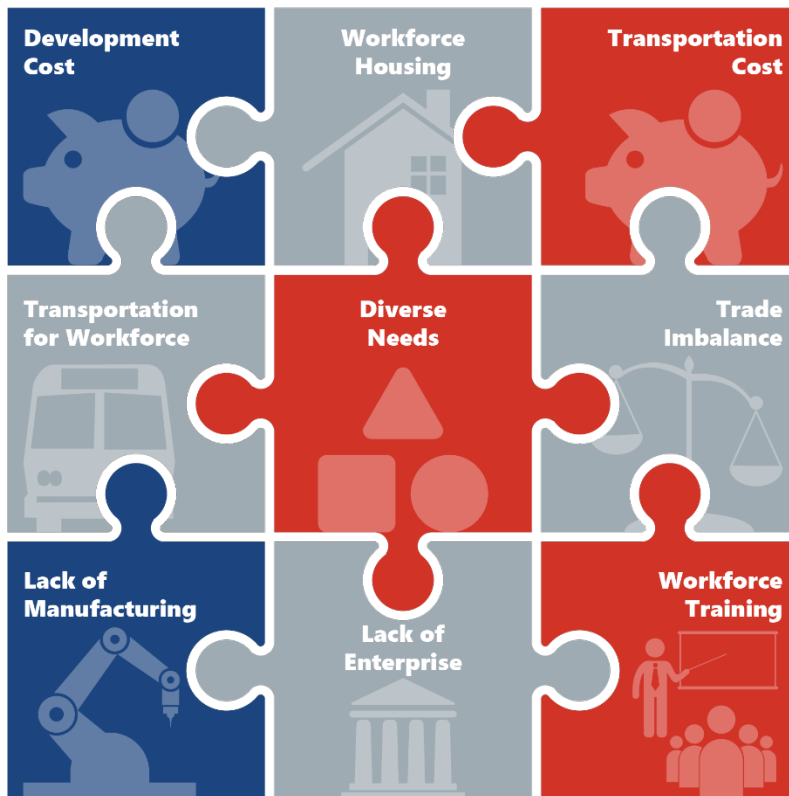
***Lack of Manufacturing***— The trade imbalance is partially a result of a lack of major manufacturers in the state. Part of this is again related to the level of economic incentives provided by other states to these manufacturers. The state of Florida could improve support in this area by encouraging manufacturers to relocate to the state through increased economic incentives to reduce the trade imbalance and create additional jobs for Florida residents.



**Lack of State Intermodal Enterprise**— Several stakeholders acknowledged the difficulty of balancing the needs of 16 different port authorities compared with the statewide port authority model used in other southeastern states. At times Florida's seaports may complement one another's activities whereas other times they may compete with one another. The state of Florida could improve support in this area by creating a State Intermodal Enterprise to provide a neutral approach for ILC investment and development. Note, the makeup and regulatory authority of said enterprise would need to be further explored. Possible examples include Enterprise Florida, Space Florida, and the Georgia Port Authority.

**Diverse Regional Needs**— Conversations with stakeholders revealed different needs for an ILC-type facility based on where in the state they are located. Primarily the division is between South, Central, and North Florida. The state of Florida could improve support in this area by documenting the key differences in order to develop an approach to ILC development in each region. Portions of Section 3.0 will discuss this in more detail to provide an initial framework of these differences. Section 4.0 will then utilize these identified issue areas to propose next steps for formalizing an ILC strategy and how to advance it.

The section above identifies existing gaps in state support for ILC development at a high level. These are all issues Florida faces when attempting to develop a successful ILC and they are often interconnected. For example, attracting the appropriate workforce is a combination of housing, transportation, and training. These issues may not all be feasible or appropriate for the state to act on. Section 2.0 will discuss ILC programs and facilities in other states which will provide further information on best practices for ILC development and how those facilities came to fruition. Section 3.0 focuses on proposed and existing ILCs in Florida to demonstrate what services and capacities are needed in the state. Section 4.0 will then provide a roadmap for formalizing an ILC strategy based on identified strengths and weaknesses to determine which of the above gaps are most appropriate to fill at a state level.



# INTRODUCTION TO INLAND PORT PROGRAMS IN OTHER STATES



## 2.1 Introduction to Inland Port Programs in Other States

Seaports throughout the Southeastern United States have developed inland port strategies to help mitigate on-port congestion as record-high volumes of containerized import goods continue to arrive and await disposition to the receivers. The storage or staging of these loaded containers within marine terminals limits overall throughput as well as degrades the ability of a seaport to supply empty containers for U.S. exports. The recent surge in orders for goods and components by U.S. retailers and manufacturers seeking to rapidly fulfill pent-up consumer demand has been the catalyst for the growth in demand for seaport capacity. Since mid-2021, many ports have been inundated by the large influx of import containers, and the number of vessels waiting for berth space. Workforce shortages, including truck drivers, rail operators, warehouse personnel, and other logistics workers, have exacerbated the congestion affecting most industrial supply chains. As more containers of imported goods wait longer in-transit, supplies of chassis and empty containers for export shipments have been depleted.

Inland ports are specialized locations developed to serve the intermodal freight transportation network, often with a direct connection to a seaport, that provide off-port terminal capacity. Intermodal in this sense is often focused on containers that are transported on a chassis, which is then moved via truck, train, or ship. Ordinarily located along railroad lines, inland ports offer intermodal transfer facilities (from ship and/or train to truck) and, frequently, international trade processing and other services that may be linked to specific seaports (e.g., Foreign Trade Zone (FTZ) status). Distribution centers and other warehousing (e.g., intermodal logistics centers or rail-served industrial parks) are often located near or as part of inland ports. Inland ports are set-up to be a hub for freight moving to facilities, such as production plants and distribution centers, which are regionally located near the inland port. Examples of an inland port or intermodal logistics center (ILC) can range from a small rail-served intermodal cargo transfer facility (ICTF) to a master planned logistics park consisting of thousands of acres and multiple transportation services.

Transportation connections between the inland port and the seaport(s) it serves are critical. Short-haul rail is preferred to help mitigate truck traffic moving into and out of a seaport, helping reduce the inefficient hours when truckers are waiting to pick-up their load. In addition, 24/7 service at an inland port can create greater operational flexibility for shippers. The model used in Georgia, described below in Case Study #1, is based on a direct rail connection that moves containers quickly and efficiently out of the port to a more distant ICTF where boxes can be processed. In addition, when companies are located near an inland port, they often have better and more timely access to equipment including containers and chassis.

Since mid-2021, high consumer demand has exceeded the capacity of most industrial supply chains, slowing the delivery of goods to customers. Larger vessels also strain a port's ability to quickly unload and store larger volumes of containers.

The inland port model allows ports to minimize container dwell time, reduce on-port truck congestion, reduce the distance for transporting containers by truck by increasing the use of rail, and facilitates equipment staging.

Several southeastern states have either developed these facilities to support existing port operations or are in the process of developing a plan for these facilities. This section provides details on three nearby states, Georgia, South Carolina, and Alabama, and what they have developed for their distinct port programs.

## 2.2 Case Study 1: Georgia

### 2.2.1 Introduction

The deep-water ports in Savannah and Brunswick are Georgia's gateways to the world. The Port of Savannah has two major deep-water terminals – Garden City Terminal and Ocean Terminal. Garden City Terminal is the fourth busiest container handling facility in the country. Ocean Terminal is a dedicated breakbulk and roll-on / roll-off facility. The Port of Brunswick has three major terminals: Colonel's Island Terminal, Mayor's Point Terminal, and East River Terminal/Lanier Dock.

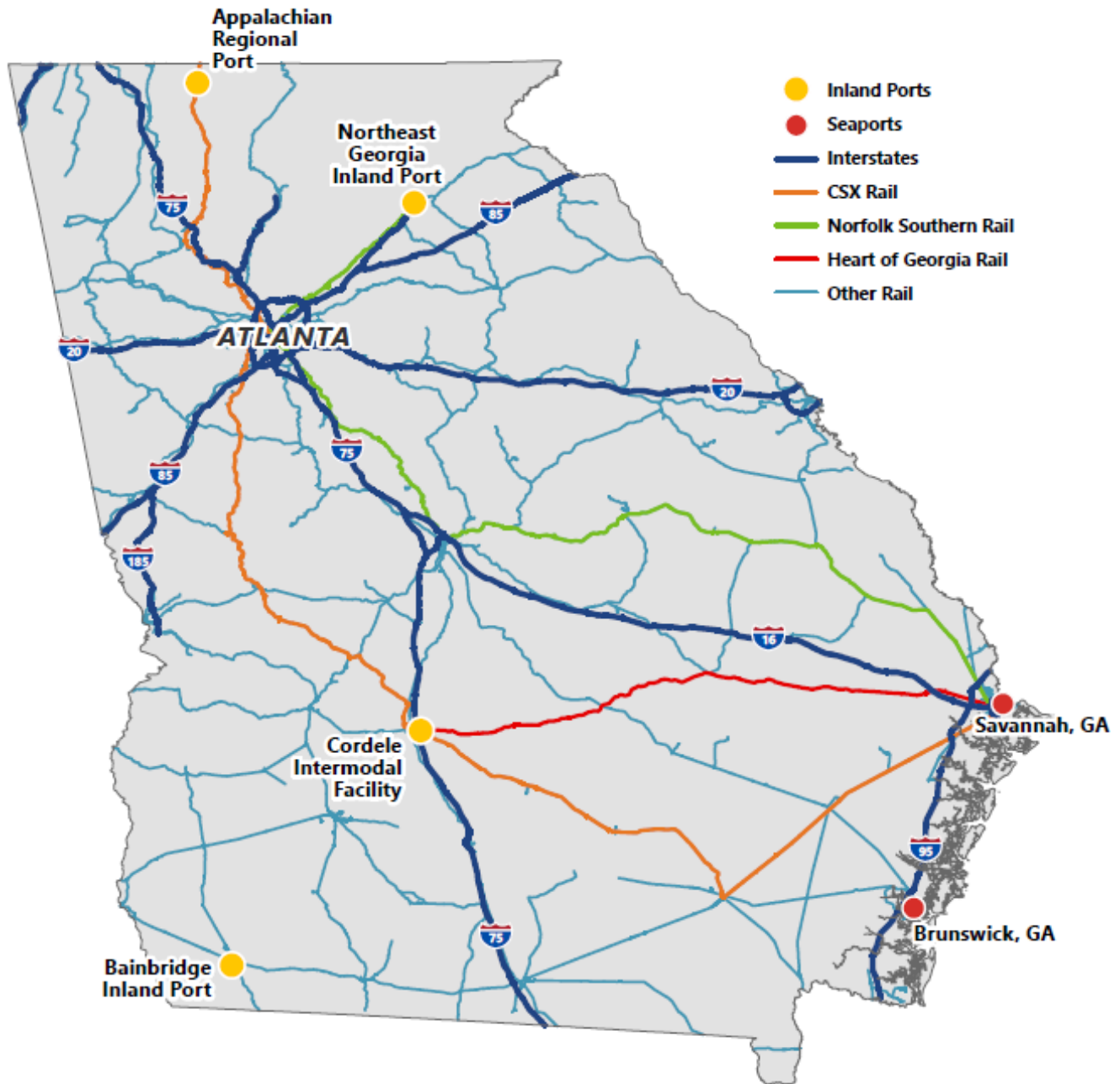
With significant growth in containers, the Georgia Port Authority (GPA) developed two initiatives—"Network Georgia" and "Rapid Routes". GPA has worked with the Georgia Department of Transportation (GDOT), local county and municipal partners, and rail and trucking partners to identify, site, and develop inland ports for the state. As part of these initiatives, GPA has developed several inland ports including Appalachian Regional Port, Bainbridge Terminal, Northeast Georgia, and Cordele Inland Port (Figure 2.1).

The need for inland ports in Georgia has arisen due to the significant and rapid growth of the two deep-water seaports. There is no statutory definition of inland ports in Georgia, but the definition of an inland port from GPA is a *"facility that can receive containers from the busy Garden City Terminal via short haul rail and provide a secure area where containers can be stored and processed away from the "on-dock" or "near dock" working areas at the port."*

Through GPA's "Network Georgia" plan, the state's seaports and inland port facilities can serve a large part of the southeastern U.S. and even into the Midwest. The inland port facilities allow for the state's seaports to:

- Improve the market access potential for the port;
- Provide greater opportunities for direct exports to global markets;
- Help trade and manufacturing market sectors remain competitive in both the global and domestic environment; and
- Promote the development of larger regional distribution hubs for major shippers in the region, with improved productivity.

FIGURE 2.1 INLAND PORTS IN GEORGIA



## 2.2.2 Appalachian Regional Port

The Appalachian Regional Port (ARP) is a joint effort of the state of Georgia, Murray County, the Georgia Ports Authority and CSX Transportation. ARP opened in August 2018 and provides a new gateway to global markets. This facility is also used to store empty containers. Typically, empty containers are transported back by rail to the Port of Savannah where they are loaded onto vessels as export empties. The remaining empty containers are transported by truck and rail to be

loaded and returned as export loads. However, record increases have resulted in the Georgia Port Authority to introduce tariffs in order to prevent further buildup which hinders terminal productivity.<sup>33</sup>

- **Owner/Operator:** Georgia Ports Authority
- **ILC Operational Model type:** Inland port/rail terminal
- **Import/Export %, & major commodities:** 40% import and 60% export. It is in an industrial belt, including the production and export of carpet and flooring, automobiles, and tires. Import and export intermodal service available.
- **Connections:** Easy access to I-75 and U.S. 411, and direct rail service (CSX) to Savannah.
- **Size (acre):** 42 acres in Murray County, Georgia.
- **Current volumes:** Lifting capacity of 75,000 containers per year.
- **Subsidized by state?** Yes.
- **Distance from port:** 350 miles
- **Markets it serves (regions):** Port of Savannah to/from target markets in Georgia, Alabama, Tennessee, and Kentucky.

### 2.2.3 Northeast Georgia Inland Port

The Northeast Georgia Inland Port will provide a direct link to the Port of Savannah via Norfolk Southern (NS). The terminal will open with 9,000 feet of working track. Accessing the container port by rail can save time and money, because rail deliveries to and from the Port of Savannah can shorten truck delivery times from approximately seven hours to less than 30 minutes.

- **Owner/Operator:** Georgia Ports Authority
- **ILC Operational Model type:** Inland rail terminal
- **Import/Export %, & major commodities:** Facility is pending construction but is strategically located to serve Georgia's poultry industry, among other industries<sup>34</sup>
- **Connections:** Easy access to I-985 and I-85, and direct rail service (NS) to Savannah.
- **Size (acre):** 104-acres
- **Current volumes:** Top capacity of 150,000 container lifts per year
- **Subsidized by state?:** No.
- **Distance from port:** 300 miles
- **Markets it serves (regions):** Manufacturers, processors, and distributors in the northeast Georgia region.

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<sup>33</sup> *New Marine Terminal Tariff for Port of Savannah.* Global Logistical Connections News. <https://glc-inc.com/2022/09/28/new-marine-terminal-tariff-for-port-of-savannah/>

<sup>34</sup> *NE Georgia Inland Port tabbed for \$48 million federal grant.* Farm Bureau Georgia. <https://www.gfb.org/media-and-publications/news.cms/2021/1075/ne-georgia-inland-port-tabbed-for--47-million-federal-grant>

## 2.2.4 Bainbridge Inland Port

This inland port is owned and operated by the Georgia Ports Authority. Bainbridge is located on the Apalachicola-Chattahoochee-Flint Waterway, or Tri-Rivers System.

- **Owner/Operator:** Georgia Ports Authority
- **ILC Operational Model type:** Inland port/River port terminal
- **Import/Export %, & major commodities:** 25% export/75% import. The facility is equipped to handle a variety of dry bulk cargo via barge traffic, including nitrogen solution, gypsum, ammonium sulfate, urea, cottonseed, and cypress bark mulch.
- **Connections:** Located on the Apalachicola-Chattahoochee-Flint Waterway, or Tri-Rivers System.
- **Size (acre):** The terminal facilities cover 107 acres.
- **Current volumes:** Includes over 100,000 square feet of warehouse space.
- **Subsidized by state?:** No.
- **Distance from port:** 250 miles
- **Markets it serves (regions):** The facility handles sea trade and cargo shipments to and from the Gulf of Mexico via Florida's Apalachicola River.

## 2.2.5 Cordele Intermodal Facility

As a critical element of Georgia Ports Authority's Network Georgia and its broader Rapid Routes initiatives, Cordele Intermodal Services created an inland gateway to the Port of Savannah, the second-largest port on the East Coast.

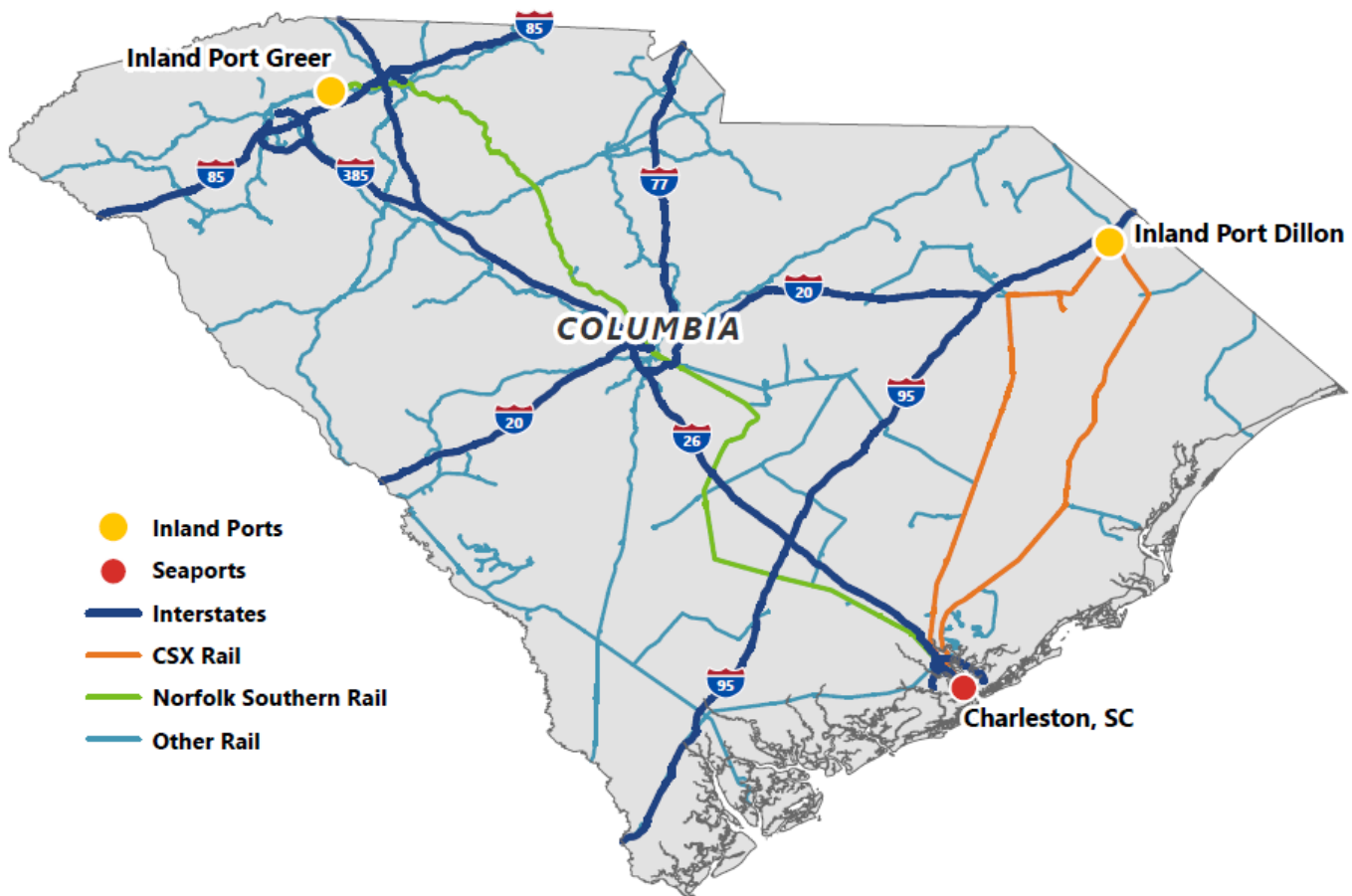
- **Owner/Operator:** Cordele Intermodal Services (CIS)
- **ILC Operational Model type:** Inland port, although Maersk Lines and CMA CGM have designated Cordele Intermodal Services as a Container Yard, allowing CIS to depot their equipment at the Cordele terminal.
- **Import/Export %, & major commodities:** 50% import/50% export. Agricultural products of cotton, peanuts, wood products, and other commodities.
- **Connections:** Easy access to I-75, Georgia Highway 300, and Georgia Highway 280. Served by the Heart of Georgia railroad and Georgia Central railroad and with access to both Class I railroads (CSX & NS).
- **Size (acre):** 40 acres in the Crisp County Industrial Park (option to expand on 1,200 adjacent acres).
- **Current volumes:** Top capacity of 120,000 container lifts per year.
- **Subsidized by state?:** No.
- **Distance from port:** 200 miles
- **Markets it serves (regions):** Within a market that includes the southwest quadrant of Georgia, the southern half of Alabama, and the Florida Panhandle.

## 2.3 Case Study 2: South Carolina

### 2.3.1 Introduction

The South Carolina Ports Authority (SCPA) owns and operates two inland port facilities - Inland Port Greer and Inland Port Dillon (Figure 2.2). SCPA defines inland ports as “facilities that can provide relief for seaport on-dock congestion.” These inland ports are designed to relieve congestion at the Port of Charleston, as well as increasing the market reach of SCPA. Express rail service from two Class I railroads (CSX and NS) moves freight to the rail heads and near-port distribution centers.

FIGURE 2.2 INLAND PORTS IN SOUTH CAROLINA



### 2.3.2 Inland Port Greer

Inland Port Greer is a rail-served inland port facility in northwest South Carolina. More than 94 million people live within 500 miles making sites near the inland port an attractive location for both manufacturing and consumer goods distribution.



- **Owner/Operator:** South Carolina Ports Authority but developed through a Public Private Partnership (P3) model with CenterPoint Properties.
- **ILC Operational Model type:** Inland port.
- **Import/Export %, & major commodities:** 25% import/75% export. Major commodities shipped are automotive parts and automobiles manufactured locally. BMW and Volkswagen are major port tenants.
- **Connections:** Inland Port Greer is located on I-85 in Greer, South Carolina, approximately halfway between Atlanta and Charlotte. The inland port is also served by NS.
- **Size (acre):** 80 acres
- **Current volumes:** In 2022, Inland Port Greer handled 150,000 lifts (over 120,000 rail moves).
- **Subsidized by state?:** Yes.
- **Distance from port:** 212 miles
- **Markets it serves (regions):** Southeastern U.S., mainly northwest South Carolina.

### 2.3.3 Inland Port Dillon

This inland port gives importers and exporters in the eastern Carolinas a strong alternative for connecting supply and demand. Using CSX rail to/from the Dillon market gives cargo owners the ability to control costs with maximum flexibility.

- **Owner/Operator:** South Carolina Ports Authority
- **ILC Operational Model type:** Inland port
- **Import/Export %, & major commodities:** 40% import/60% export. A wide range of commodities pass through the inland port- including furniture, machine parts and agricultural products.
- **Connections:** Located on I-95 near the South Carolina/North Carolina border. The inland port is also served by CSX.
- **Size (acre):** 75 acres positioned within the 3,400-acre Carolinas I-95 Mega Site
- **Current volumes:** 200,000 TEUs per year (approximately 116,000 lifts annually)
- **Subsidized by state?:** Yes
- **Distance from port:** 150 miles
- **Markets it serves (regions):** Southeastern U.S., primarily the Pee Dee region of South Carolina

## 2.4 Case Study 3: Alabama

### 2.4.1 Introduction

Alabama defines an inland port as a “port located along one of Alabama’s inland waterways that provides an intermodal transportation hub.” The Alabama Department of Economic and Community Affairs (ADECA) administers the Alabama Inland Port Infrastructure Program. This program is a \$5 million competitive grant program designed to award infrastructure funds for inland port capital improvement initiatives.

### 2.4.2 Inland Docks and Montgomery Inland Container Intermodal Transfer Facility

The Alabama Port Authority and the Port of Mobile will utilize a network of eight “inland docks” located at strategic locations throughout the state (see Figure 2.3). These “inland docks” provide the Port of Mobile with an extended market reach, as well as expanded capacity.

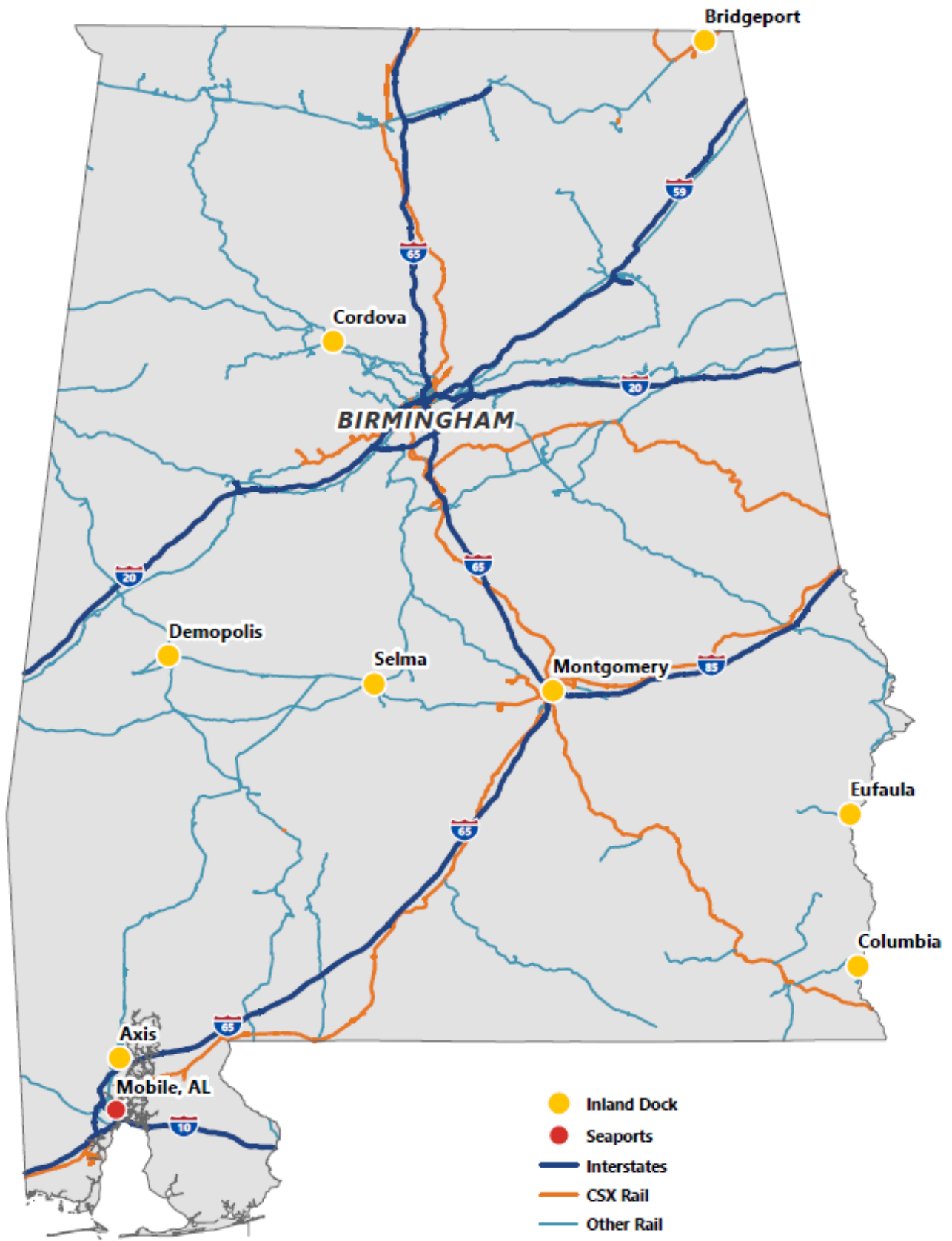
Currently, the Alabama Port Authority is planning a new inland intermodal container transfer facility (ICTF) serviced by CSX in Montgomery to extend intermodal rail service from the Port of Mobile. In early 2022, the Alabama Port Authority Board of Directors approved a \$2 million purchase of 272 acres to construct the facility. The first phase of this facility is estimated to cost \$54 million but will eventually support 2,618 direct and indirect jobs and \$340 million in business revenue.<sup>35</sup> The project connects inland Alabama shippers to the seaport’s intermodal container transfer facility at Mobile, which is located adjacent to the marine terminal and is accessible to five national Class I railroads.

- **Owner/Operator:** Alabama Port Authority
- **ILC Operational Model type:** Intermodal Container Transfer Facility
- **Import/Export %, & major commodities:** Under construction.
- **Connections:** Located near I-65 and I-85 with service provided by CSX.
- **Size (acre):** 272 acres
- **Current volumes:** Under construction.
- **Subsidized by state?:** No.
- **Distance from port:** 170 miles
- **Markets it serves (regions):** Southeastern U.S.

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<sup>35</sup> Alabama Port Authority Announces Plans to Build an Inland Intermodal Transfer Facility in Montgomery. City of Montgomery. <https://www.montgomeryal.gov/Home/Components/News/News/4184/193>

FIGURE 2.3 ALABAMA PORT AUTHORITY INLAND DOCKS



## 2.5 Synthesis—Summary of Opportunities and Challenges for Florida

Intermodal Logistics Centers (ILC) can have different purposes and characteristics. Just like seaports, no two ILCs are alike. The opportunities and challenges of different facility types are shown in Table 2.1. Each of these facility types and opportunities are necessitated by the size and operational capacity of the seaport. Seaports have limited space and, by their nature, tend to be congested. These opportunities increase the port’s footprint, mitigates congestion, and reduces shipping and storage costs.

**TABLE 2.1 INLAND LOGISTICS SUPPORT TYPES**

Type or Function	Definition	Primary Purpose	Opportunities	Challenges
Inland Port	Extension of a seaport but is geographically separated from the port	Extension of Seaport	Reduce port congestion; Potential to reduce storage costs for receivers	Cost of real estate; Availability of workforce; Equity & community friction
Intermodal Logistics Center Hub	Geographical area with multiple logistics functions rather than one physical facility	Multiple freight modal options for businesses	Reduce freight transportation costs for businesses	Cost of real estate; Availability of workforce; Equity & community friction
Transload Facility	Facility that specializes in the transfer of cargo from one mode or vehicle to another	Provide modal choice to businesses	Reduce freight transportation costs for businesses	Cost of real estate; Availability of workforce; Equity & community friction
Intermodal Container Transfer Facility (ICTF)	Facility designed to transfer containers between different modes of transportation (rail and trucks or vessels and rail)	Facilitate the efficient movement of goods across different regions	Reduce time and cost associated with transferring goods between different modes of transportation	Cost of specialized equipment and infrastructure; Location of real estate near transportation hubs
Consolidation Point	Facility that specializes in the consolidation or repackaging of shipments for export	Facilitate efficient consolidation of export containers	Minimize storage of containers at port	Cost of real estate; Availability of workforce; Equity & community friction

### 2.5.1 Inland Logistics Facility Definitions

- Inland Port.** In the truest sense an inland port is an extension of a seaport but is geographically separated from the port. Seaports have limited space in which to store containers and chassis. The seaport is generally designed to transfer containers to/from ships to trucks and rail. If developed as an Inland Port, then the facility can be a “relief valve” to reduce container congestion (inbound/import goods) at the port. The Inland Port Greer best fits in this category. Inbound (import) containers of goods are off loaded from the ship and transported via rail and/or truck to a facility that is an average 230 miles inland from the port, and in the general direction or location the containers must go to be delivered. As such, the location of an inland port must not only have rail and truck access but be located along the route on which the containers would travel to the intended receiver.

- **Intermodal Logistics Center Hub.** An ILC hub is best described as a geographical area with multiple logistics functions rather than one physical facility. A particular area may have several industries and businesses which require multimodal freight transportation to ship/receive goods to and from markets, respectively. These could be manufacturers, distributors, fulfillment centers, agribusinesses, warehouses, freight consolidators, etc. These entities are geographically located in a cluster which may have been shaped over time by zoning and land use regulations. Multimodal freight transportation infrastructure (rail, roadway, pipeline, air) to transport the goods and commodities is collocated in or near the ILC. The opportunity is reduced freight transportation costs for businesses that require multiple means of freight transportation. An example is the CSX Central Florida ILC in Winter Haven, Florida. Containers can be deramped, delivered to the receiver, off-loaded, and returned to the CSX facility in one day. Multiple freight carrier modes operate from the ILC area and have better capacity and availability to serve shippers and receivers.
- **Transload facility.** Many businesses can reduce their logistics costs by utilizing multiple means of freight transportation. The function of transloading containers can be performed by cranes (many types and sizes) lifting containers to/from rail and truck. The opportunity is for businesses to optimize their shipping costs and to serve customers in regional, national, and global markets. Containers can also be transloaded from one size to another to reduce costs. In Southern California “transload warehouses” regularly transfer cargo from multiple 40-foot inbound containers into 53-foot domestic containers. Four (4) 40-foot containers can be transferred into three (3) 53-foot containers. There is also an opportunity for shippers is to reduce rail transportation costs for deliveries that are long distance. Also, once the 40-foot container is empty, it can be returned to the port for export, whether empty or reloaded with export product. Another facet of a transload facility can be to cross-dock freight from one container to another to reduce the number of container deliveries that go to a particular receiver.
- **Intermodal Container Transfer Facility (ICTF).** ICTFs typically have specialized equipment and infrastructure to facilitate the transfer of containers between different modes of transport, such as cranes and heavy-duty trucks. They are strategically located near major transportation hubs, such as ports, rail yards, and highways, to provide efficient intermodal transport services.
- **Consolidation point.** Containerized goods for outbound shipments (export) at a seaport arrive via rail and truck over a period of time. The port must consolidate and store the loaded containers that are designated for a particular ship until that ship arrives, is offloaded, and then is ready to be loaded. An inland consolidation point can serve to minimize the time in which containers are stored at the port until all the containers are ready to be loaded onto a particular ship. Consolidation points are most efficient if located near a port to minimize the shuttle time to the berth for loading.

## ILC Benefits

- **Reduction in truck vehicle miles travelled (VMT).** The concept types described above provide an opportunity to reduce truck VMT by providing modal alternatives to move goods to market. This multimodal solution offers the opportunity to reduce roadway congestion, improve air quality, increase roadway safety, and reduce the number of trucks operating during peak hours. This reduction could ease some of the existing burden on the trucking industry focused around driver shortages, truck parking shortages, and hours of service while maintaining the demand for drivers for last mile deliveries.

- **Private investment could lead development opportunities.** When freight movement modal changes occur and when freight is stored, there is a need for a workforce. Each of the facility types require labor to perform a variety of functions. As such, these locations can be ripe for private sector investment and development, job growth, and economic development.
- **Alternative functions.** Any of these facilities could be designed to have an alternative function of logistics resupply during emergencies. Post-event disasters such as hurricanes require immediate supply of food, water, fuel, and other life support and recovery needs.

## 2.5.2 Challenges

- **Cost of real estate.** The cost of real estate, depending on location, and in the acreage needed for the footprint of any logistics facility can be costly. All of the above-mentioned opportunities should be located adjacent to a rail line and a major freight highway with efficient truck access. Public funding can be challenging when the activities are owned and controlled by the private sector.
- **Workforce.** An analysis should be completed to determine whether a particular location can provide the work force (capacity and skills) if any of the opportunities are pursued. Transit as a means for workforce mobility and affordability should be considered. Affordable housing and schools are critical needs as well.
- **Equity.** The location and impacts of ILC-type facilities must be considered. Livability and community needs must be balanced with freight and commerce needs. Freight movement and logistics functions provide job opportunities to improve quality of life. However, the impacts of freight movement can degrade air quality, increase congestion, create safety risks, etc. In many cases the types of facilities that produce or consume products, commodities, and materials, may operate extended hours. Potential friction points between freight needs and livability needs could occur as a result of longer operational hours if the entities are in close proximity to each other.
- **Resilience and Sustainability.** Any new facility should be resilient to withstand and recover quickly from natural events (hurricanes), sea level rise, extreme temperatures, etc. Containers, trailers, and rail cars are all susceptible to risk during these events. Hardening infrastructure generally requires higher cost. ILC-type facilities should have multiple access routes, space for truck parking, and be analyzed for proximity to general purpose transportation and active transportation, etc.

## 2.6 Summary

Many of the opportunities and challenges identified through the non-Florida case studies align directly with the gaps identified in Section 1.5. The successes experienced in Georgia and South Carolina, and the development underway in Alabama, have largely been driven by the direct involvement and leadership of state port authorities, a volume commitment by the ports and/or private anchor tenant, commitment and partnership by the Class I railroads to serve the facility, and the necessary funding. The recommendations provided in Section 4 provide suggested next steps for Florida to successfully pursue and develop a more effective ILC program.

# ASSESSMENT OF EXISTING AND POTENTIAL ILCs IN FLORIDA



## 3.1 Introduction

The prior two sections explored the evolution of what an ILC is defined as, what gaps there are in developing ILCs in Florida, and how other states have worked through those gaps to create their own ILC programs. The objective of this section is to identify regions or areas in Florida that are well positioned to serve critical trade supply chains based on market proximity and transportation (truck and rail) access. This will specifically describe factors related to the success and needs of existing ILCs; general areas where ILCs could serve Florida seaports; key services and capacities needed by area and market; and potential for state involvement. This research culminates in a matrix of types of services offered and needed by sites and general areas.

## 3.2 Existing Intermodal Logistics Centers

There have been several efforts throughout the state to develop ILC locations with a range in level of success. A few locations have developed extensive master plans to determine future build outs as well as identify needed services and capabilities to attract tenants. This section highlights three such facilities, shown in Figure 3.1 in the south, central, and north portions of Florida to illustrate the types of facilities that have emerged in each location. The ILCs are as follows:

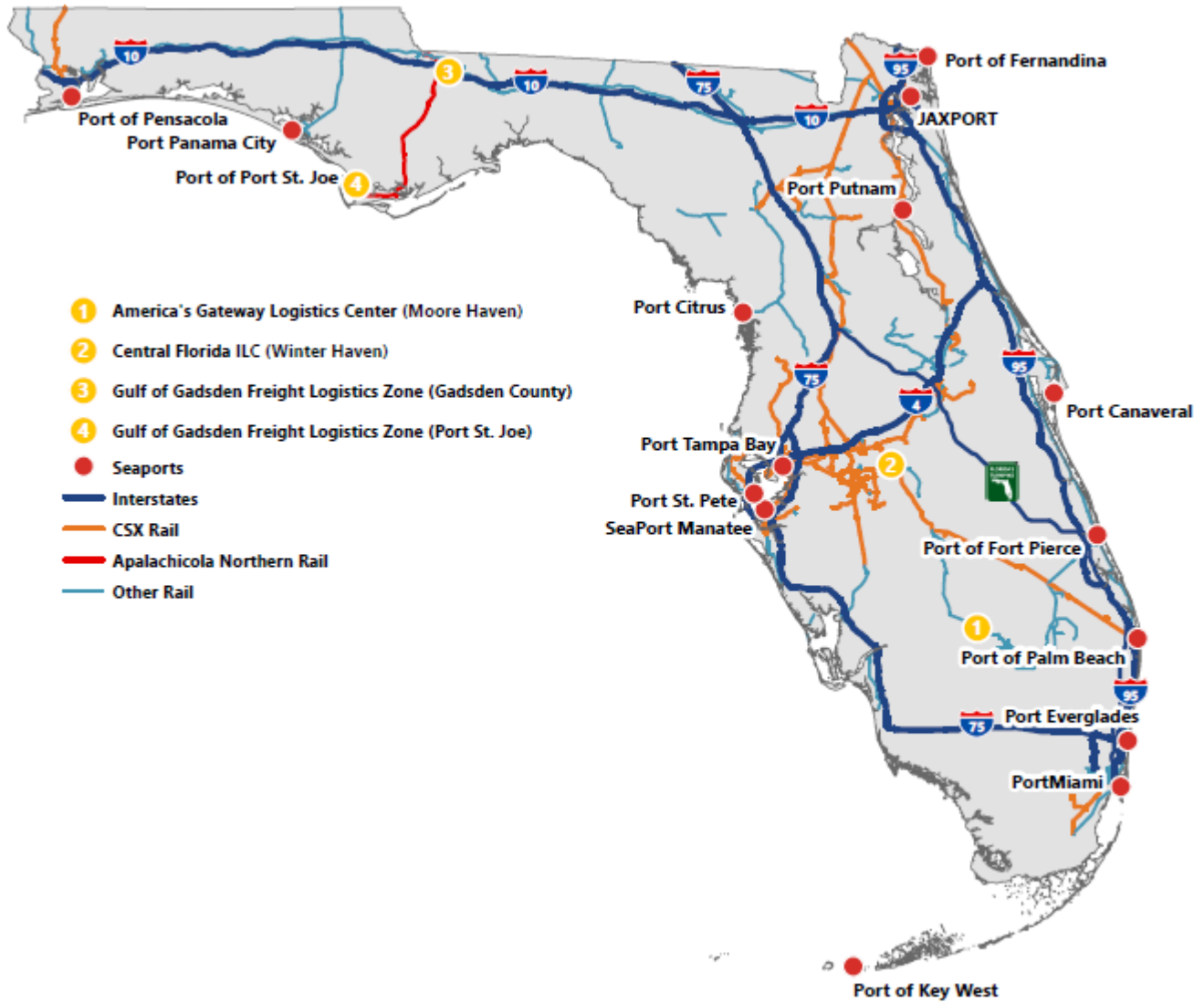
- South Florida: America’s Gateway Logistics Center (Moore Haven);
- Central Florida: Central Florida Intermodal Logistics Center (Winter Haven); and
- North Florida: Gulf to Gadsden Freight Logistics Zone (Gadsden, Liberty, Franklin, and Gulf counties).<sup>36</sup>

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<sup>36</sup> Note that North Florida is indicated on the map as two locations: Gadsden County and Port St. Joe. These two locations have emerged as potential ILC locations within the multi-county Freight Logistics Zone.



FIGURE 3.1 EXISTING FLORIDA ILC LOCATIONS



### 3.2.1 America's Gateway

#### Description of Site

The America's Gateway Logistics Center is a 772-acre rail served-industrial park located in Moore Haven, Florida as shown in Figure 3.2. It is a master-planned, integrated logistics center and mixed-use site offering advanced manufacturing, distribution, and industrial service-related facilities within Foreign Trade Zone 215; it also is an opportunity zone.

- **Owner/Operator:** A Duda & Sons
- **Connections:** The center is located at the intersection of US-27 and SR-78 with easy access to I-75, I-95, and the Florida Turnpike. The center is served by the South-Central Florida Express (SCFE) railroad, which intersects with CSX in Sebring.
- **Size (acre):** 772-acre rail served-industrial park located in Moore Haven; Florida.
- **Current volumes:** Site currently being marketed.
- **Markets it can serve (regions):** The center is 112 miles or less to Miami/Fort Lauderdale/West Palm Beach, 55 miles to Fort Myers, 150 miles to Tampa, and 150 miles to Orlando.
- **Subsidized by the state:** No.
- **Ports in proximity:** Port Everglades, Port of Palm Beach, PortMiami, SeaPort Manatee and Port Tampa Bay.
- **FTZ #215**

FIGURE 3.2 AMERICA'S GATEWAY LOGISTICS CENTER



#### Factors Contributing to Success

The size of this facility, 772 acres, provides an advantage as it can suit a variety of industrial needs. Existing zoning permits the use of the land for warehousing or heavy industrial with outside storage. Site plans also allow for rail access and four spurs. Currently, the land is used for agriculture although it is "shovel ready" with power, water, gas, sewer, telecom, and fiber on site.<sup>37</sup> In anticipation of this development and to support the significant truck activity along US-27, a Love's Travel Stop is located on the southeast corner of the property providing truck parking and related services. Glades County also has developed a training facility adjacent to the site to support workforce training as the site is built out.

<sup>37</sup> Americas Gateway Logistics Center. Glades County Development Council, Inc. <https://gladescountyedc.com/properties/details/americas-gateway-logistics-center>

## Areas of Need or Improvement

The America's Gateway Logistics Center has been under development for several years but has yet to gain significant traction through landing of major tenants. Additional roadway improvements, as well better access to Class I railroads, remain challenges for the site. The location in the Florida's heartland away from the coastlines also presents a challenge. The transport of goods from Florida's seaports by either truck or rail to this facility would increase the cost of doing business compared with leaving those goods closer to their import seaport. Many of the challenges outlined in Section 1.5 apply to this site with many being worked on by the community and site developers, including housing, workforce, and transportation.

### 3.2.2 Winter Haven—Central Florida ILC

#### Description of Site

The ILC located in Winter Haven has been known by several different names since it opened and began operations in April 2014 including the Central Florida ILC (CFILC) (current) and Florida's Gateway. This facility is the only ILC currently identified by FDOT's SIS program as a Strategic Growth facility rather than the full SIS designation.

- **Owner/Operator:** Evansville Western Railway, a CSX affiliate and a subsidiary of P&L Transportation, Inc. and operated by CSX Intermodal Terminals, Inc.
- **Connections:** Highway access is available via FL-60 and Old Bartow Lake Wales Road which see between 600 and 800 trucks per day. Access to the facility is provided by rail by CSX Railway.
- **Size (acre):** This location serves as a 318-acre intermodal container facility with an overall area of 932 acres. This additional acreage is planned for 7.9 million square feet of warehousing/distribution facilities, light industrial, and associated office facilities.
- **Current volumes:** There are five 3,000-foot loading tracks and two 10,000-foot train arrival and departure tracks with a lift capacity of 300,000 containers per year.
- **Markets it can serve (regions):** Site currently handles southbound intermodal service provided by CSX for the Central Florida market.

FIGURE 3.3 CENTRAL FLORIDA INTERMODAL LOGISTICS CENTER



- **Subsidized by state?:** Yes. This site has received \$9.4 million from the state of Florida (\$6.4 million from the Jobs Growth Grant Fund and \$3 million from FDOT) to make roadway improvements.<sup>38</sup>
- **Ports in proximity:** SeaPort Manatee, Port Tampa Bay, Port of Palm Beach, and Port Canaveral.
- **FTZ:** N/A

### Factors Contributing to Success

The CFILC is strategically located in Polk County in the central region of Florida near the major consuming markets of Orlando and Tampa. This gives the ILC a competitive advantage with access to the CSX rail network and the major highways of I-4, SR-60, and US-27. Tenants also have access to two international airports, Port Tampa Bay, Seaport Manatee, and Port Canaveral and 10 million residents within a one-hour radius.

### Areas of Need or Improvement

Identified improvements to this site include an increase in capacity for truck parking and additional infrastructure improvements for facility access. Similar to other locations, these improvements are hindered by the cost of land.

## 3.2.3 Gulf to Gadsden

### Description of Site

The Gulf to Gadsden Freight Logistics Zone (FLZ) encompasses Gadsden, Liberty, Franklin, and Gulf counties in the Florida Panhandle as shown in Figure 3.4. A key transportation element supporting this FLZ is the Apalachicola Northern Railway (ANR) which connects the Port of Port St. Joe in Gulf County to a Class I railroad (CSX) and I-10. Included in this FLZ is Gadsden County’s Intermodal Logistics Center which sits on 700 acres and is bordered by ANR and I-10. A secondary ILC location has also been identified near the Port of Port St. Joe.

**FIGURE 3.4 GULF TO GADSDEN FREIGHT LOGISTICS ZONE**



Source: Gulf to Gadsden Freight Logistics Zone Strategic Plan.

<sup>38</sup> 'A dream come true': Winter Haven secures \$9.4 million for road improvements, fiber-optic infrastructure. The Ledger. <https://www.theledger.com/story/business/economy/2021/10/11/winter-haven-gets-9-4-million-logistics-parkway-road-improvements/6089356001/>

The Gadsden ILC location in Gretna was selected through a Strategic Site Inventory (SSI) development process. This process looks at a variety of relevant factors including available acreage, number of existing landowners, proximity to transportation networks, proximity to population density, wetlands, and the like. This location is being actively marketed by the Gadsden County Development Council to future industrial users.

- **Owner/Operator:** Gadsden County Development Council.
- **Connections:** Apalachicola Northern Railway (ANR), CSX and I-10.
- **Size (acre):** 570-acre primary site; 116-acre secondary site adjacent to Port of Port St. Joe.
- **Current volumes:** Site is being actively marketed to future industrial users.
- **Markets it can serve (regions):** Gadsden, Liberty, Franklin, and Gulf counties.
- **Subsidized by state?:** No.
- **Ports in proximity:** Port of Port St. Joe, Port Panama City.

## Factors Contributing to Success

This ILC is strategically primed to take advantage of existing connectivity and proximity to freight-oriented businesses. The I-10 corridor runs the entire length of the country, connecting the ILC to both the Atlantic and Pacific coasts. In addition, I-10 provides ready access to I-65, I-75, and I-85 which allows for direct trucking services north to Canada and the majority of the eastern seaboard. Existing freight industries which take advantage of this location include those involved with the movement of lumber, chemicals, non-metallic minerals, and some food products.

## Areas of Need or Improvement

One of the largest misconceptions this location faces relates to workforce availability and the condition of supporting transportation infrastructure (e.g., the railroad network and bridges). When potential users have evaluated nearby population densities as an indicator of workforce, they fail to realize the commuting population in this region. This region already draws from residents of South Georgia to existing manufacturing plants, indicating a willingness to drive for well-paying jobs. However, affordable housing, training, and multi-modal transportation solutions are likely needed to meet the needs of future workforce in this area. A secondary challenge is the lack of a foreign trade zone (FTZ) due to the lack of a Customs and Border Protection (CBP) facility. With the development of an International Processing Facility at the Tallahassee International Airport in Leon County currently underway, they will soon be able to designate locations through the Alternative Site Framework (ASF) to be included in an FTZ.

## 3.3 Identifying Areas/Regions for New Intermodal Logistics Centers

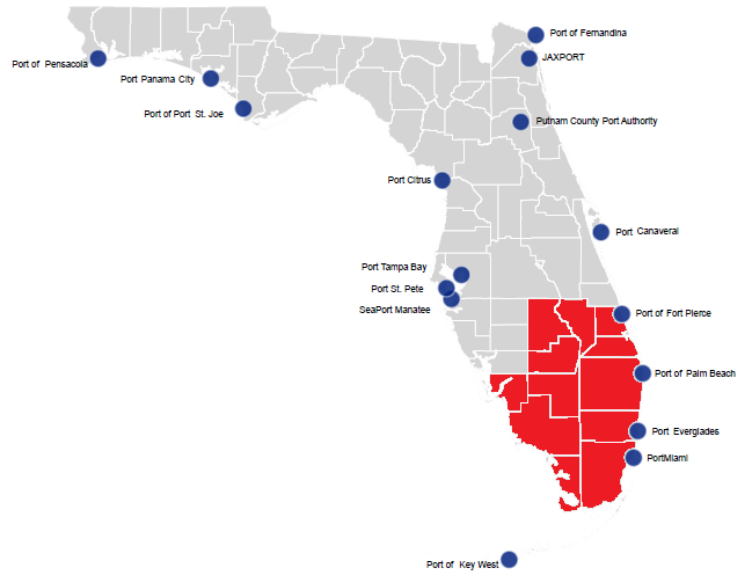
While there have been several properties identified as strategic locations, only a few of these have reached an operational status with existing tenants. Part of the success of an ILC location is dependent upon an understanding of the specific purpose that an ILC will serve. In the case of Florida's unique position in the country and peninsular geography, the



function of an ILC differs from those located in other states. Further, the function of an ILC also varies depending on the area of Florida it is located in. This section will focus on the different types of ILCs which would be successful in the south, central, and north portions of Florida, similar to the discussion on existing ILCs.

### 3.3.1 South Florida

An ILC located in South Florida would be most closely tied to the ports of PortMiami, Port Everglades, Port of Palm Beach, and Port of Fort Pierce. The Port of Palm Beach initially discussed inland port development more than a decade ago. While the Port of Key West is also in this region, it does not serve cargo activities.



These Florida seaports are located in land constrained regions with a high and ever-increasing cost of land. In the case of PortMiami, the port is located on an island with expansion only possible outside of the existing port boundary, completely separate from the port. The dense urban areas near these ports often see the sale of available land reach upwards of \$3 million per acre, with few multi-acre parcels with appropriate land use coming up for sale. In some cases, extensive master planning activities completed by the ports have identified possible sites; the transparent planning process can result in the ports being priced out of those options as other developers compete for the land.

To account for this, proposed ILC affiliations for these ports have focused on more rural areas, such as the America’s Gateway Logistics Center discussed above, that could be served by the existing US-27 corridor instead of I-95 and the Florida Turnpike. FDOT has also studied the potential for a rail corridor along US-27 to potentially serve these rural facilities which would have a secondary benefit of shifting freight rail traffic along the FEC and CSX corridors through the urban core to a new inland corridor, opening up capacity for increased passenger rail traffic on the Brightline and Tri-Rail.<sup>39</sup>

The development of these more distant hinterland locations have also struggled because the majority of products brought into South Florida’s seaports are consumed within the region. For example, more than 70% of the imports coming through Port Everglades and PortMiami are consumed locally. Transporting products to a more distant ILC location and then bringing them back creates additional transportation movements which drives up the cost of moving these products and the final price consumers pay for them. Instead of serving as a location for added value processes such as assembly or manufacturing, an ILC in this region would be most beneficial as an additional staging area to support off-port capacity for

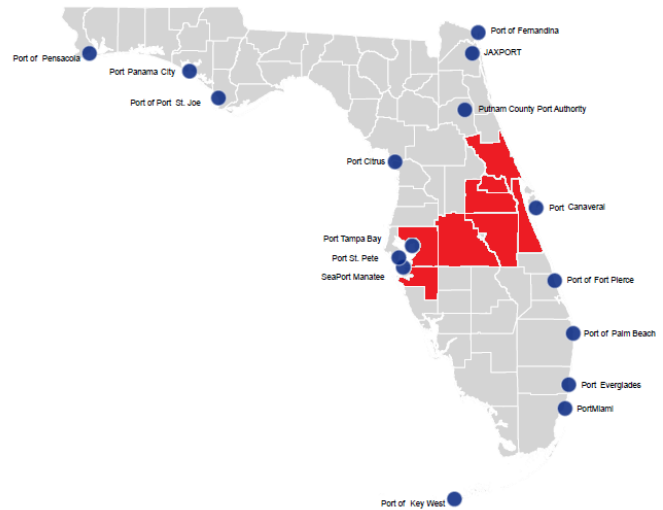
<sup>39</sup> *US 27 Transportation Alternatives Study*. Florida Department of Transportation Systems Planning Office. [https://fdotwww.blob.core.windows.net/sitefinity/docs/default-source/planning/planning/systems/programs/sm/corridor/corridor-study/us27-alternative-options-and-policy-implications.pdf?sfvrsn=4b2b1d6\\_0](https://fdotwww.blob.core.windows.net/sitefinity/docs/default-source/planning/planning/systems/programs/sm/corridor/corridor-study/us27-alternative-options-and-policy-implications.pdf?sfvrsn=4b2b1d6_0)

equipment handling, helping increase the volume of cargo being handled at these ports. This type of operation needs to be as close to the ports as possible. An advantage of this type of ILC use is that the larger, 100+ acre properties are not critical to their success. These seaports would be able to successfully meet their goal of staging areas with much smaller parcels which are easier to find in this region. In the case of the Port of Palm Beach, they are purchasing abutting properties in order to expand the port's operational footprint and cargo areas. Moving forward, the potential for a successful ILC in South Florida will be dependent upon available land, land cost, cheaper handling and transportation costs, and shifts in trade patterns, such as trends in nearshoring due to recent global supply chain disruptions.

### 3.3.2 Central Florida

An ILC in Central Florida does not have some of the same land constraints as South Florida, primarily due to a significant decrease in the cost of land. A facility here would primarily serve the I-4 corridor connecting the east and west coasts of the state and serve the ports of Port Canaveral, Port Tampa Bay, and SeaPort Manatee. While Port St. Pete is also in this region, no cargo activities occur at this port.

An ideal area for potential ILC growth within this region is between Plant City and Polk City. This area is one of the top freight clusters in the state of Florida with significant freight activity generated by e-commerce locations and distribution centers. With Port Tampa Bay and the Tampa International Airport within a 30-40-mile radius, this region has already become a hub of freight activity. The central location within Florida also means that all major consumer markets in Florida are within a 200-mile radius.

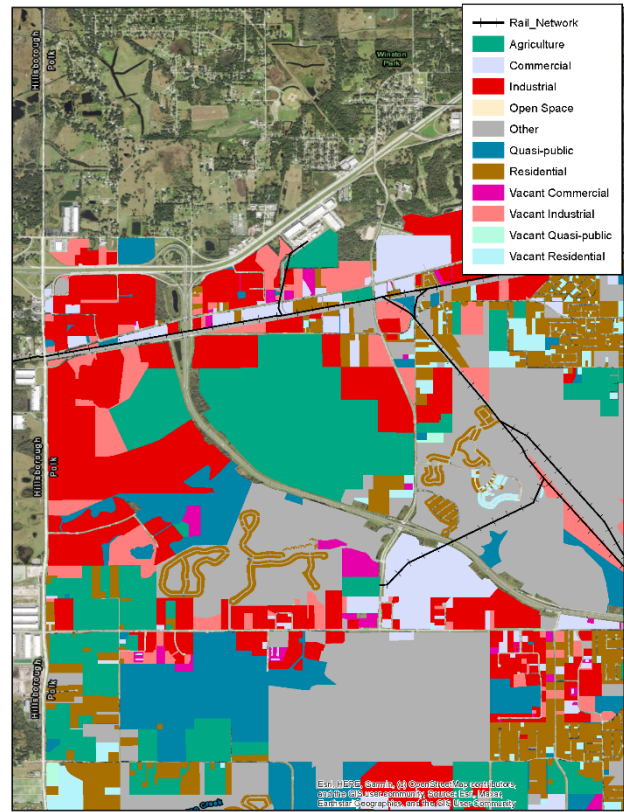




The existing Winter Haven ILC is located 12 miles from this area, indicating that freight developers already see potential in this area. This industrial and commercial-zoned site offers mid to large-size parcels for development with zoning allowing for a variety of uses including warehousing and heavy industrial. This area as depicted in Figure 3.5, has multiple vacant industrial parcels and agricultural and quasi-public spaces which have access to rail as well. Many of these parcels could be an ILC candidate with the potential for sites over 300 acres.

While the proximity to I-4 and the consuming populations of Tampa Bay and Orlando is an advantage, this proximity also creates a challenge for development. The I-4 corridor is already heavily congested and therefore additional capacity enhancements or alternative routes may be needed. This congestion similarly results in a significant need for truck parking facilities. Rail service is available through CSX but may require additional rail enhancements such as new sidings or grade crossings. Perhaps most challenging, is that the existing Winter Haven facility in this region has not reached capacity as of yet. Without a higher occupancy of this existing facility, the business case for developing an additional facility is harder to justify. With that said, current operations at this facility are not directly related to any Florida seaport, which should be considered as part of a more detailed needs assessment.

**FIGURE 3.5 LAKELAND INDUSTRIAL PARCELS**



### 3.3.3 North Florida

North Florida has the advantage of cheaper land than South Florida. An ILC here could function more similarly to those found in other southeastern states. Unlike further south, the state is much wider in the north at over 350 miles compared with less than 100 miles in some other portions. North Florida also has the advantage of serving customers in other states such as Georgia and Alabama given its proximity to these markets. As the prior section focused on an existing ILC in the Panhandle and the challenges and opportunities there, this section focuses on potential ILCs in northeast Florida. A suitable location could be located near JAXPORT. Cecil Commerce Center is a significant, long-term economic development asset owned by the City of Jacksonville, representing more than three percent of the land area in Duval County (17,000 acres). It is one of the most sought-after locations in the Southeastern United States for manufacturing, supply chain logistics, and industrial end users. This industrial and commercial-zoned site offers mid to large-size parcels for development. It has incredible transportation and utility infrastructure, is adjacent to I-10, and is home to the third-longest runway in Florida.

Another potential ILC location within the Cecil industrial parcels is identified based on existing land use as shown in Figure 3.6. This 550+ acre rail-served parcel close to Cecil airport is owned by the City of Jacksonville. This location is an excellent multimodal location on Jacksonville’s west side, offering superior access to the Southeastern market. This has immediate access to I-10, I-75, I-295, and I-95. The site is 16 miles from Norfolk Southern Intermodal, 15 miles from CSX Intermodal, 29 miles from JAXPORT, adjacent to JAA Cecil airport and 25 miles from the Jacksonville International Airport. This location is included as part of FTZ #64 which supports a variety of uses ranging from warehouse to heavy industrial use.

Potential development delays of a successful ILC in this area are centered around development and site-specific transportation connectivity, similar to the other proposed regions throughout Florida.

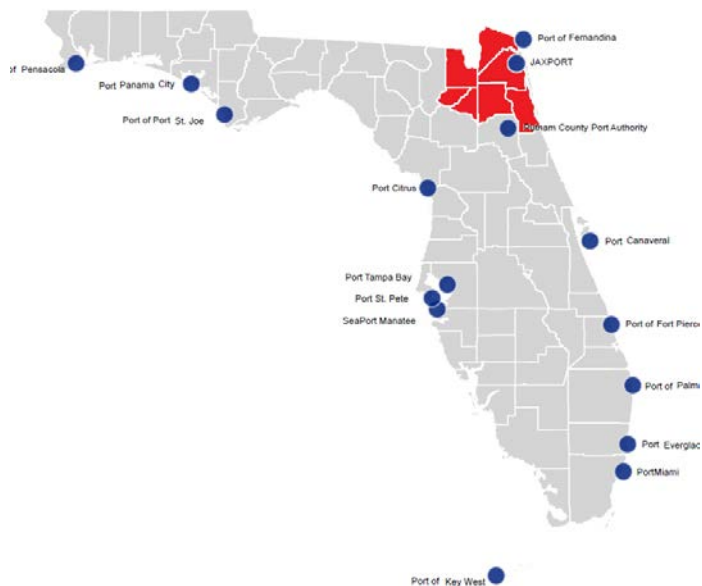
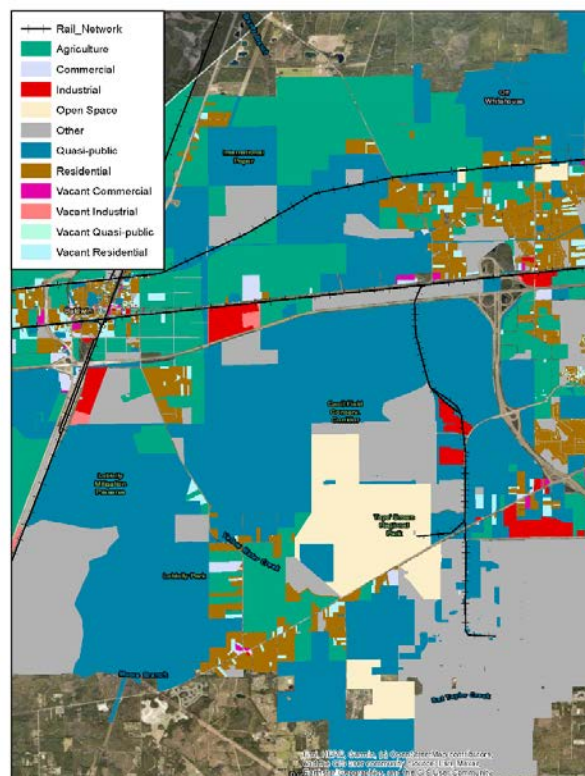


FIGURE 3.6 CECIL INDUSTRIAL PARCELS



## 3.4 Needed Services and Capacities

Based on these differing regions, there is no one set definition of what makes a successful ILC in Florida. Some intermodal centers may find success on 10 acres while others find success with 1,000. Some may be rail served while others may only have highway access. In spite of these differences, there are several key components in common between successful ILC developments. These components are as follows:

- Proximity to Florida Seaports and Markets
- Site Readiness
- Workforce Availability, Housing, and Education
- Intermodal Connectivity
- Economic Incentives and Funding
- Partnerships

### 3.4.1 Proximity to Florida Seaports and Markets

Going back to the primary definition of an ILC in the state of Florida, activities at a Florida ILC are designed to support or be supported through one or more of Florida's seaports. As such, the proximity of a development to the seaports and their markets is a key component of success.

Concerns about ILCs under development primarily stemmed from the inability to understand how a site could be profitable or provide benefits to a seaport and the state of Florida. Based on current transportation rates, an extra truck or rail movement from a port to an ILC without value-added services would add a significant cost to doing business and would put Florida's seaports in a less competitive position. Even with limited available land for development within the port boundaries, some seaports would not find available acreage more than five miles away suitable for expanded operations or storage. Meanwhile, ILCs in other states are significantly further away than any Florida ILC would be, and typically serve more distant hinterland markets. The Appalachian Regional Port in Georgia is nearly 350 miles from the Port of Savannah. A successful ILC in Florida needs to consider the origin of cargo, direct intermodal connectivity, the final destination, and the additional cost of doing business using an ILC.

Section 311.101(2), F.S.: the term "intermodal logistics center (ILC)", including, but not limited to, an "inland port", means a facility or group of facilities serving as a point of intermodal transfer of freight in a specific area physically separated from a seaport where activities relating to transport, logistics, goods distribution, consolidation, or value-added activities are carried out and whose activities and services are designed to support or be supported by conveyance or shipping through one or more seaports listed in S. 311.09, F.S.<sup>1</sup>

<sup>1</sup> *Chapter 311 Seaport Programs and Facilities*. Florida Legislature. [http://www.leg.state.fl.us/statutes/index.cfm?App\\_mode=Display\\_Statute&Search\\_String=&URL=0300-0399/0311/Sections/0311.101.html](http://www.leg.state.fl.us/statutes/index.cfm?App_mode=Display_Statute&Search_String=&URL=0300-0399/0311/Sections/0311.101.html)

### 3.4.2 Site Readiness

In discussions with economic development agencies and key transportation partners, another obstacle for Florida ILCs to overcome is being shovel ready for new business. While several of the ILCs highlighted above have conducted significant master planning activities to determine future use, they have not all gone as far as site development and related improvements, including utilities and access improvements. When a business is looking to expand, they target locations that can be completed within a year, if not sooner. Businesses will not wait five years for a facility to be complete as they can find similar suitable locations in other areas which are shovel ready.

Over the last few years, some of the most successful industrial sites have been at least partly built on speculation, with all space leased before construction was complete. One uniquely Florida challenge for site readiness is the land use amendment process. Changes to land use can take one to two years alone while it goes through the appropriate local approvals. Obstacles such as these would present too high of a risk factor for new business and would eliminate an ILC as a contender early on. Utility and site preparation improvements can also delay development significantly. To better compete with sites in other states, Florida could consider focusing ILC-specific support on helping land owners and developers navigate the necessary steps to bring strategic sites to a point of readiness that makes them attractive to industry.

### 3.4.3 Workforce Availability, Housing, and Education

In tandem with site readiness, workforce availability is also critical to the success of attracting new business to an ILC. The existing Gulf to Gadsden site has recognized that the perceived low population density in the area has caused potential developers to determine that there is not an adequate workforce currently in place. Other rural areas of Florida would also face this same challenge such as the Americas Gateway Logistics Center. While less than 100 miles from a population of over 6 million in Southeast Florida (Miami-Dade, Broward, and Palm Beach), Glades County where this logistics center is located has a population of less than 15,000. A clear understanding of the volume of workers needed for a facility and where those workers would come from is necessary to communicate to future businesses looking to relocate to the area. Glades County has worked to tackle this issue through workforce training incentives including their Quick Response Training Program (QRT) to assist businesses in training for expansion and the Incumbent Worker Training Program (IWT) which trains currently employed workers to help keep the workforce competitive.<sup>40</sup> This region received further assistance through the Job Growth Grant Fund to establish a technical college in Glades County which is already open for training.<sup>41</sup>

### 3.4.4 Intermodal Connectivity

A prominent part of the name “intermodal logistics center” is “intermodal”. It is therefore no surprise that intermodal connectivity is a tremendously important factor for a successful ILC. Namely, truck and rail access are the two most commonly referenced intermodal options when discussing ILC development. On the trucking side, adequate roadway

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<sup>40</sup> *Workforce Training Incentives*. Glades County Economic Development Council, Inc. <https://gladescountyedc.com/supporting-data/state-incentives/workforce-training-incentives>

<sup>41</sup> *Gov. Ron DeSantis announces funding for a new technical college campus in Glades County*. Naples Daily News. October 15, 2021. <https://www.naplesnews.com/story/news/education/2021/10/15/florida-governor-announces-new-technical-college-campus-glades-county/8467089002/>

development and access will require coordination with FDOT, a metropolitan planning organization, county, or city depending on where the ILC is located. Roadways near an ILC should be designed to accommodate specific truck needs such as wider turning radii, freight priority signals, concrete lane approaches, and truck friendly intersections. In addition, secondary support facilities such as truck parking and truck fueling are critical for safe and efficient movements.

Rail connectivity is primarily driven by the private sector as the state only owns a small percentage of the rail network in Florida. A port to ILC connection provided by one railroad would be most efficient, as every switch adds time and cost. An additional challenge for rail-served ILCs in Florida is that rail movements are generally more economical over distances of more than 300 miles. The majority of Florida is approximately 100 miles wide making east-west movements by rail less probable. Longer, more economical movements would require Florida's seaports to import cargo destined for regions outside of Florida. This would add volume to some already congested corridors, such as the Florida East Coast (FEC) railway which runs along the east coast of Florida and serves passenger trains (Brightline) along with freight. Planned increases in passenger rail movements drives a further need for an expanded rail network in Florida which could also serve potential inland ILC locations.

### 3.4.5 Economic Incentives and Funding

The development of a large scale ILC can cost millions or potentially billions of dollars depending on the value of land acquisition, cost of transportation improvements, physical building structures, and manufacturing equipment. To date, Florida's investment in ILCs has been minimal compared with the level of support other states offer to new developers. As mentioned previously, the defunct ILC Infrastructure Support Program provided up to \$2.5 million per applicant for specific infrastructure enhancements. Attracting a user to such a facility in Florida instead of another state would require Florida to provide similar economic incentive packages in order for it to make business sense. The cost of providing such incentives needs to be balanced with the benefits that Florida would receive such as new jobs, construction spending, and an increased tax base.

### 3.4.6 Partnerships

Last but certainly not least is a need for collaboration and partnership among agencies in order to create an environment to support and encourage successful ILC developments. While there has been much speculation surrounding some developments, without buy in from the state, local officials, local residents, seaports, railroads, beneficial cargo operators, and the like, most ILCs will not be successful. This can be a hard and expensive lesson to learn if an ILC is developed without full support, similar to the Cordele Intermodal Center in Georgia which has not yet been a successful project. The Gulf to Gadsden FLZ on the other hand went through an extensive site selection process that included garnering support from county and municipal entities as well as the private sector prior to prioritizing potential sites. This allows for a reduction in risk as the strengths and weaknesses of a location can be determined from multiple angles prior to making a significant investment.

### 3.4.7 Summary Matrix

A summary of the variance in these needed services and capacities by region is shown in Table 3.1. For the majority of these needs, there is not a significant difference between the three regions of Florida but rather more in urban versus

rural. Each component is necessary although the solution may vary by region. The largest differences are seen in urban versus rural areas as population density and available land have direct results on workforce availability and the cost of development. Urban areas such as South Florida, the I-4 corridor, and Jacksonville have ready access to a large population. However, these large populations drive development for non-freight land uses such as housing and commercial and office space. This then limits the amount of land available for freight development, driving up the cost of suitable land and creating additional conflict points with different user types. In contrast, rural areas have lower populations which causes them to be seen as not ready to supply the necessary workforce. With a lower population, more land is available in these areas for development. A successful ILC location will require a balance between these two factors.

The proximity to seaports and markets with intermodal connectivity are factors also linked to location. While the workforce and land availability may help identify an initial ILC location, understanding transportation needs and costs impacts whether or not a facility will actually be used. Several ports, especially those in South Florida, expressed that a new facility within five miles of their port would be most beneficial as handling cargo an additional time increases the cost. Rail service would also not be an option as it is less economical under 300 miles. In other areas of the state this distance was not as compact likely due to other seaports serving more inland locations (e.g., Port Tampa Bay serving Orlando). An understanding of true intermodal need, whether rail or truck, must be coupled with an understanding of where cargo is coming from and where it is going. For products that will be consumed by a local market, trucking them 50 miles away to then truck them 50 miles back would not make good business sense. However, if Florida's seaports increase their market share to serve further inland locations like the Midwest, then an intermediary ILC location may make more sense. An understanding of the market served will help to better inform necessary transportation improvements for intermodal connectivity.

The components of economic incentives and funding and partnership are equal across the state. Potential Florida locations do not necessarily compete with one another but rather with the large economic incentive packages offered by other states. Smaller grant funding amounts which have been historically awarded in Florida pale in comparison with billion-dollar incentive package offers. This need for extensive economic incentives complements the need for partnership. While a local city or county may decide to develop an ILC on their own, input from the state, seaports, railroads, and potential businesses is needed to ensure that all components have been thought through. In collaborating with these other partners, they can also provide their own incentives which a county alone may not be able to. For example, VinFast received the following financial support from North Carolina:

- Job Development Investment Grant of \$316 million over 32 years;
- State appropriation of \$450 million to cover site preparations, road improvements, and additional water and sewer infrastructure;
- Community college training worth \$38 million;
- Golden Leaf Foundation grant of \$50 million; and
- \$400 million in incentives from Chatham County.<sup>42</sup>

<sup>42</sup> *VinFast Receives \$1.2 Billion in Incentives for US Manufacturing Hub in North Carolina*. PR Newswire. July 14, 2022. <https://www.prnewswire.com/news-releases/vinfast-receives-1-2-billion-in-incentives-for-us-manufacturing-hub-in-north-carolina-301586849.html>



In this case, while Chatham County could have offered incentives of \$400 million on their own, partnering with other organizations across the state resulted in a combined package of \$1.2 billion which successfully attracted a new vehicle manufacturing complex.

**TABLE 3.1 VARIANCE IN NEEDED SERVICES AND CAPACITIES BY ILC LOCATION**

Service/Capacity	North	Central	South
Proximity to Florida Seaports and Markets Served	Existing ILCs are within 50 miles of associated seaports. Lesser concerns about distance were expressed as they are closer to population centers		South Florida seaports indicated that the best ILC solution would be within 5 miles of a port.
Site Readiness	To attract a new business in any region, a site must be able to accommodate a new facility within a year, if not sooner. Industry will not wait five years for a new building or facility.		
Workforce Availability	Urban areas near JAXPORT have greater access to available workforce. Existing ILCs in the Panhandle must overcome misconceptions about availability. Need additional housing, training, and multi-modal transportation solutions to meet the needs of future workforce.	I-4 corridor well developed. No concerns about workforce availability mentioned.	Urban areas well developed with large workforce. More rural inland locations need additional housing, training, and multi-modal transportation solutions to meet the needs of future workforce.
Intermodal Connectivity – Truck	Urban areas face significant congestion along existing corridors and limited options for new facilities or expansion of existing ones. Truck access is more limited in rural areas due solely to a lower concentration of roadways and travel alternatives.		
Intermodal Connectivity – Rail	Rail connectivity was deemed important in all regions. However, Florida is only 100 miles across at some points which makes economically competitive rail movements more difficult.		
Economic Incentives and Funding	ILCs in Florida are competing with out of state locations which offer more significant funding and financial incentive packages. All areas of Florida are impacted by this competition. Rural areas in particular have more difficulty with funding as they do not have the tax basis that denser locations have.		
Partnerships	Partnership at the state and local levels is important regardless of location. This partnership should extend beyond economic development groups to include community members, railroads, seaports, and potential tenants.		

### 3.5 Potential for State Involvement

As evidenced by the existing and potential ILCs in both Florida and other southeastern states, an ILC is not a facility which can pop up overnight. It takes a significant amount of planning, collaboration, and investment in order to be a success. Through conversations with stakeholders, several potential opportunities for state involvement were identified.

Nearly all stakeholders were in agreement that Florida would benefit from a centralized intermodal logistics center enterprise to provide a neutral approach to ILC investment and development. This state enterprise could determine which ILC locations stand to benefit Florida the most. Prior stalemates in the development of an ILC, particularly in southern Florida, resulted from too much focus on county or regional level benefits, rather than overall state benefits. This



centralized enterprise would further put Florida in a position more similar to its neighbors who have the advantage of one seaport versus Florida's 16. While Florida's seaports often work in tandem with one another and complement each other's activities, competition for discretionary cargo still exists.

An understanding of this competition and the types of cargo Florida's seaports are hoping to attract is another area for potential state involvement. Stakeholders agreed that Florida is a large and diverse state and acknowledged that a solution which may work in Miami-Dade County, would not work equally as well in Duval County. They proposed that the state be broken into regions, similar to the discussion on existing and future ILCs described above. South, central, and north Florida have unique populations, transportation networks, and business climates which warrant a more thorough understanding of what would work best. These regions could further be broken into rural and urban areas to determine the pros and cons of development. Dividing the state into regions creates the opportunity to focus on more localized needs.

As part of determining the more refined needs of each region, this can lay the groundwork for developing strong partnerships between local communities and interested stakeholders. Transportation partners such as the railroads and seaports, economic developers, and private businesses have the most thorough knowledge of their operations and what it takes to be successful. As part of a centralized intermodal logistics center enterprise, an associated working group should be developed in order to maintain an active discussion about industry needs.

Lastly, the state of Florida should revisit the potential of offering competitive economic incentive packages to attract additional manufacturing and freight-related businesses. Currently, Florida is not well positioned to compete with the large packages provided by other states and therefore loses the opportunity for new jobs for Florida residents. Prior to offering such large packages, the state should explore the monetized benefits of ILC development. This includes not only the impact on local economies due to an increased workforce and local spending but also secondary impacts such as those on the transportation network. If Florida can increase manufacturing through ILC development, then it has the potential to reduce empty backhaul movements from Florida and create a more efficient transportation system overall.

These potential options for state involvement will be further explored in Section 4.0 which will create a roadmap and next steps to aid state leaders in creating a formal strategy for supporting ILC development in Florida.

# OPTIONS AND RECOMMENDATIONS FOR STATE LEADERS



## 4.1 Introduction

The objective of this section is to provide a basis for establishing a statewide intermodal logistics center strategy and key next steps to advance it. Generally, this section synthesizes information gathered through stakeholder interviews, an understanding of what an ILC is and what key components are necessary for success, research on existing and future in state and out of state ILCs, and identified gaps in state involvement. Through the synthesis of key findings, options and recommendations have been developed for state involvement in the development of ILCs. This information was used to develop proposed next steps for state leaders to formalize a strategy and identify what is needed from the state to advance this strategy.

## 4.2 Findings

Based on the observations presented in this study, FDOT has the opportunity to assist the state's seaports with further growth and development as demand for goods movement continues to increase. Table 4.1 details the key findings of this effort and presents the strengths, weaknesses, opportunities, and threats of each that can be used to guide future actions. For instance, common feedback from stakeholders is that Florida is at a disadvantage compared to other southeastern states in that it has 16 different seaports to advance, whereas other states can focus on one. While it can be a challenge to balance the needs of multiple ports, Florida's seaport system provides an opportunity, an opportunity that a statewide ILC enterprise could leverage by promoting ILCs which are the best opportunity for Florida as a whole, not just a particular region or seaport.

**TABLE 4.1 KEY FINDINGS OF FDOT ILC RESEARCH**

Finding	Strength	Weakness	Opportunity	Threat
Multiple Seaports	16 different seaports offer a broad range of services for potential businesses	Number of seaports creates competition within the state as well as out of state	Creation of a statewide ILC enterprise to promote developments most beneficial to Florida	Other southeastern states have a central port authority allowing for more cohesive planning
Financial Incentives	Florida has several existing programs which can help fund ILC development	Some ILC specific programs have ended. Existing funding does not match levels seen in other areas	Florida has a record budget surplus which could be used for economic incentives	Other southeastern states offer significantly larger financial packages which makes it difficult to compete
State Diversity	Florida has a broad mix of rural and urban areas that can cater to new businesses	No ILC strategy has been developed focused on the different opportunities across the state	Creation of a statewide ILC enterprise can help market Florida's ILC opportunities	Investments by other southeastern states are infringing on Florida market opportunities
Rail Network	Florida is served by several railroads with most Florida seaports having access to rail	Increasing demand for rail capacity, particularly with new passenger rail services, strains existing capacity	US 27 has previously been studied for a multi-use corridor with rail service that could alleviate congestion on the east coast while serving an ILC	Without a committed railroad partner, ILCs have a harder time attracting anchor tenants
Roadway Network	Florida has an extensive transportation network connecting the state's seaports with their hinterland markets	Increasing construction costs make expanding existing or building new roadways costly. Truck parking is also not widely available	Identify and improve key roadways for strategic ILC locations. Implement solutions from FDOT's <i>Statewide Truck Parking Study</i> to increase truck parking capacity	Increased congestion in Florida's urban areas reduces the reliability of port connectivity
Transportation Costs	Florida has a competitive marketplace that ensures there are transportation service options	Adding an additional movement increases the overall cost of doing business and the final cost a consumer must pay	Finding a way to reduce empty backhaul movements could lower prices of inbound goods	Ability of other southeastern states to provide competitive rates to serve Florida markets impacts opportunity
Land Value and Availability	Rural areas of Florida have lower land costs which can attract businesses	Urban areas of Florida are seeing significant increases in land value and decreases in available, suitable properties	Determination of strategic parcels and preservation for future industrial development can enhance Florida's freight network	Rapid population growth and residential and commercial development push land costs too high
Workforce Availability	Florida has a population of nearly 22 million capable of providing an ample workforce	Out of state businesses do not understand the pool of viable workers	Utilize existing FDOT data to inform marketing materials showcasing workforce availability	Trained workforce will leave Florida if there are not enough high-quality jobs available or if affordable housing and transportation options are not available.

Finding	Strength	Weakness	Opportunity	Threat
Partnership	Public and private stakeholders continue to be interested in ILC development	Consolidating feedback and opportunities at a state level could result in hundreds of inputs	Division of the state into a regional approach for ILC development could focus conversations	Inability to establish and communicate a vision results in industry partners investing elsewhere
Cargo Types	The diversity of Florida's seaports allows for a variety of cargo types to be imported to serve Florida's consuming population	Florida seaports primarily serve their immediate area, thus reducing the utility of a further away ILC	Work on capturing cargo headed for out of state destinations to help balance uneven inbound and outbound transportation movements	Inability to keep pace with next generation waterway and terminal capacity will limit opportunities
ILCs Under Development	Several ILCs have conducted master planning activities to prepare for users	Most ILC locations have not been able to secure an anchor tenant or other large user	Creation of a statewide ILC enterprise can help market and promote these locations to potential users	ILCs in other southeastern states that are shovel ready will have an advantage

## 4.3 Options, Recommendations, and Next Steps

Based on the strengths, weaknesses, opportunities, and threats identified above, the following recommendations are offered as possible next steps to advance Florida's ILC strategy:

- **Develop a Statewide Intermodal Logistics Center Working Group.**
  - » *Why:* To support the statewide ILC enterprise in decision making by providing industry insights and future planned activity (e.g., cargo expansion at seaports needing ILC support).
  - » *How:* Develop an initial group based on stakeholders who participated in this study to build a foundation and expand to underrepresented stakeholders as appropriate (e.g., shortline railroads, beneficial cargo owners).
- **Conduct a study of regional (south, central, and north) ILC needs with a breakdown of urban versus rural locations.**
  - » *Why:* As a large and populous state, each area of Florida has different ILC needs. There is not a one size fits all solution for the state. Understanding what the needs of each region are will help to focus marketing and development efforts to expand ILC business.
  - » *How:* Include the ability to fund and conduct research as part of the creation of the statewide ILC enterprise.
- **Create a Statewide Intermodal Logistics Center Enterprise.**
  - » *Why:* The creation of such an enterprise was a primary point made by the majority of stakeholders in order to focus Florida's ILC strategy.
  - » *How:* The appropriate parent agency to house this enterprise (e.g., FDOT or the Florida Department of Economic Opportunity (DEO)) must be determined.
- **Determine monetary and non-monetary statewide ILC benefits in order to inform financial incentive packages.**
  - » *Why:* The goal of ILC development is to enhance Florida's future. Providing incentive packages which outweigh the financial benefits of an ILC would defeat the purpose of development.

- » *How:* Include the ability for the partner agency to lead, fund and/or conduct research as part of the creation of the statewide ILC enterprise.
- **Evaluate the impact of increased passenger rail services on rail corridors and the need for additional capacity.**
  - » *Why:* An increase in demand for passenger rail services (e.g., Amtrak, Brightline, Tri-Rail, SunRail) is straining existing rail corridors. In order to provide service which can meet passenger rail demand, a new freight rail corridor through Florida’s rural core could shift traffic from congested urban areas and serve future ILC locations.
  - » *How:* Include the ability to fund and conduct research as part of the creation of the statewide ILC enterprise.
- **Evaluate key criteria to be used by the state to expand and develop the ILC network through the SIS.**
  - » *Why:* The criteria for designating ILCs as part of the SIS has not resulted in a network of ILCs in Florida as it has with other transportation modes and facilities.
  - » *How:* Evaluate how the criteria for ILC inclusion may be modified to align with SIS goals and strategies to create a network of ILCs.
- **Evaluate the preparedness of ILC locations to help identify and develop the improvements necessary to attract business.**
  - » *Why:* Some identified challenges (such as workforce availability, housing, and multi-modal transportation) can take significant time to develop. Companies looking for a new location will not wait for such challenges to be overcome.
  - » *How:* Identify local challenges for proposed ILC locations and the partner agency will lead the development of an action plan on how to overcome them in order to better attract new businesses and ensure their success.
- **Create large incentive packages for ILC development to attract businesses.**
  - » *Why:* Existing economic incentive packages and prior grant funding is a small fraction of the final cost of ILC development. Other southeastern states are providing up to 100 times more in their financial packages.
  - » *How:* Utilize the results of determining statewide ILC benefits to create appropriate financial packages. Allow the partner agency to lead the creation of a new program with dedicated funding to help Florida compete for new business.
- **Create a statewide marketing campaign to promote Florida ILCs.**
  - » *Why:* Several ILCs are already under development and primarily do their own marketing. A larger campaign showcasing all that Florida has to offer can create higher visibility for these locations.
  - » *How:* The partner agency will lead coordination with the Florida DEO, Visit Florida, and individual efforts by ILCs and their communities to create a comprehensive marketing campaign showcasing the diversity of offerings in Florida.

## 4.4 Summary

The Florida Department of Transportation's (FDOT) feasibility analysis on Intermodal Logistics Centers (ILC) Serving Florida Seaports was based on a five-part approach: Stakeholder Engagement; Defining Florida's Objectives for ILCs; Case Studies of ILCs and Programs in Other States; Assessment of Existing and Potential ILCs in Florida; and Options and Recommendations for State Leaders.

Conversations with stakeholders included Florida's seaports, local economic development agencies, railroads, land developers, and out of state counterparts. These conversations merely scratched the surface of parties interested in ILC development. Feedback from these partners yielded explanations of why existing and planned ILCs have not yet worked, such as issues surrounding land value and availability, comparatively lower economic incentives, workforce availability, and a lack of a cohesive statewide approach to ILC development. This product recommended solutions to aid development and potential areas where the state can plug in.



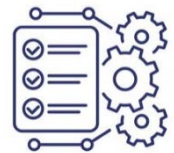
Defining Florida's objectives for ILCs yielded a better understanding of how the approach to ILC development has changed overtime. Current state statutes ties an ILC, also sometimes known as an inland port, to one or more of Florida's 16 seaports. This also explored current and previous programs which support ILC development. The most targeted of these was the ILC Infrastructure Support Program which provided a minimum of \$5 million for infrastructure enhancements. While this program has ended, other opportunities exist through the Infrastructure Investment and Jobs Act (IIJA), Florida's Job Growth Grant Fund, and FDOT's Strategic Intermodal Systems (SIS).

To show a contrast with Florida's definition of an ILC and how development is handled in the state, a review of ILCs in other southeastern states was conducted. Namely, this included Georgia, South Carolina, and Alabama. The simplicity of a single statewide port authority is evident in these states' approaches toward ILC development. The respective state port authorities are the driving forces behind development and make determinations at a state level of which locations would be most advantageous.



With an understanding of development in other states, existing and potential ILCs in Florida were also examined. These location profiles highlight the pros and cons of each location which was used to determine the services and capabilities needed for an ILC to be successful. While there are some geographical differences, each location must have a thorough understanding and plan for improvement of the following services and capabilities: Proximity to Florida's Seaports and Markets; Site Readiness; Workforce Availability; Intermodal Connectivity (Rail and Truck); Economic Incentives and Funding; and Partnerships.

The cumulation of this information yields options and recommendations to develop a roadmap for state leaders to develop a formal strategy for ILC development in Florida. Key steps involve the creation of a stakeholder working group to support the statewide enterprise; determination of ILC needs by region; creation of a statewide intermodal logistics center enterprise; identifying potential economic incentive packages based on a benefit evaluation; and a cohesive state-led marketing campaign to promote Florida's ILCs.





**S E A P O R T S**

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