

**South Florida
Inland Logistics Center
Preliminary Market Analysis
*FINAL Technical Memo***

Prepared for:
Florida Department of Transportation and
The Port of Palm Beach

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I. Introduction, Overview and Summary of Results

Martin Associates was retained by the Florida Department of Transportation (FDOT) and the Port of Palm Beach to investigate the market potential of developing an Inland Logistic Center (ILC) within the Port's immediate hinterland. The market analysis builds off of the **South Florida Inland Port Feasibility Study**, which led to this more robust market assessment. This analysis is not a market analysis solely for the Port of Palm Beach, but rather an assessment of key markets in Florida that would benefit from the Port of Palm Beach ILC concept. These markets include containerized cargo trends, distribution center (DC) activity trends, as well as bulk/breakbulk cargoes such as construction materials and ethanol production. A potential ILC facility would not only directly support operations at the Port of Palm Beach, but also benefit other South Florida ports, specifically Port Everglades and Port of Miami.

This market assessment is based on interviews as well as published data. Over 70 interviews were conducted with (but not limited to) key shipping lines calling Florida and Atlantic Coast ports, Florida terminal operators - both containerized and bulk, rail service providers, trucking/drayage companies, industrial/commercial real estate developers, land owners, Port of Palm Beach tenants, freight consolidators, distribution center operators and Florida shippers/consignees. In addition to the interview process, data was also collected from Martin Associates' in-house data bases, American Association of Port Authorities (AAPA), US Army Corps of Engineers Waterborne Commerce Statistics Center, Florida Department of Transportation (FDOT), individual port statistics/port websites, Chain Store Guide, Moody's economy.com, US Department of Commerce, US Department of Energy, US Maritime Administration and Florida's Agency for Workforce Innovation Labor Market Information.

Key findings of this analysis include:

- **Future growth in South Florida will create new demand for distribution capacity.** The region will most likely demand or absorb 80 million sf of additional distribution center space in the Southern Florida effective hinterland. The types of facilities that will be most likely in demand are those in the 50,000 to 300,000 sf range, and these sites will most likely serve as satellite DC's to the larger sites that will be developed in Central and Northern Florida, where land prices/lease rates are less expensive. This ILC development opportunity is for a distribution center complex serving primarily (although not exclusively) import/inbound freight. The facility would offer modern warehouse structures and storage areas, along with efficient truck (and in the longer-term potentially rail access).
- **Competitive markets will be dependent on the combination of transportation costs and lease rates.** ILC operations potentially could be related to cargo moving through any Florida gateway (not just the Port of Palm Beach), and serving any market area in South Florida (not just the Palm Beach region). However, with increasing distances between the gateways and the ILC, and with increasing distances between the ILC and the markets served, transportation costs rise compared to other service options. The key variable in this equation is the "all in" lease rate per square foot that an ILC customer would

pay. The lower the lease rate, the more gateway-market pairs for which the ILC can be competitive.

- **Land prices and potential “all in” lease rates for an ILC in western Palm Beach County cannot be established from available information.** Findings are presented in the form of a matrix, showing competitive market opportunities at different “all in” lease rates that might be obtained. The sensitivity analysis illustrates that the markets that show the strongest potential to be served via a South Florida ILC include Fort Lauderdale, Fort Myers and Fort Pierce. Market penetrations that appear to be more competitive include Miami, Tampa and Orlando. The analysis also suggests that serving Ocala/Gainesville and Jacksonville from a South Florida ILC does not appear feasible.
- **Due to draft limitations and terminal capacity constraints, it does not appear likely that the Port of Palm Beach will participate in the growing Asian import container trade in the foreseeable future.** Thus, the Ports of Miami, Jacksonville and Port Everglades will be the ports of entry for the Asian retail cargo destined for South Florida. The Port of Palm Beach will be able to continue to compete for South and Central American markets as its capital program is realized.
- **The ability to use a South Florida ILC for export Caribbean/Latin America cargo appears limited, at least in the near term,** due to established cultural and business relationships in the Miami area, proximity to the Miami-Dade County International Airport (which provides significant cargo lift capacity to serve the Caribbean/Latin America markets), and adequate warehouse space. As availability of warehouse space in Miami-Dade and Broward counties declines over the long term, points further North may become more attractive.
- **Having the option of a remote container facility does not appear to enhance the competitiveness of the Port of Palm Beach for container handling.** Although it could increase on-port terminal effectiveness by providing an off-dock storage area, it would do so at the cost of significantly increased labor and transportation associated with extra handling and drayage. The current container operator, Tropical, is unlikely to rework its established logistics to utilize remote space; and this operational prospect is not attractive for other potential operators, compared to other ports that could offer traditional dockside storage.
- **Effective use of an ILC by bulk and break bulk shippers is limited.** Smaller bulk and break bulk vessels currently call at POPB. The port maintains a market presence with respect to steel, lumber and cement, and should continue to do so. Given that drayage between the wharf and off-site storage would be considerably more expensive and logistically challenging than the current practice, it is not an advantage for these cargos.
- **Biodiesel production in Palm Beach County and investments at the Port of Palm Beach may provide new opportunities.** With respect to an ethanol and biodiesel production facility in Palm Beach County, the analysis suggests a growing demand for ethanol facilities in Florida. While future harbor improvements will provide the Port of Palm Beach with a more competitive position, the ports of Tampa and Port Everglades would have the advantage for

blending with gasoline, as these two ports dominate the Florida ports in the inbound water receipts of gasoline. The expanding biodiesel market in Florida is evidenced by the fact that three more facilities are under construction. State and county initiatives will bolster the demand for biodiesel. Researchers are currently examining alternative feedstock options that can be made available on a commercial scale.

Ultimately, the key factors of a successful ILC are: land price, labor availability, port of entry drayage costs, rail and highway access to key consumption markets, and appropriate timing (near, mid, or long-term).

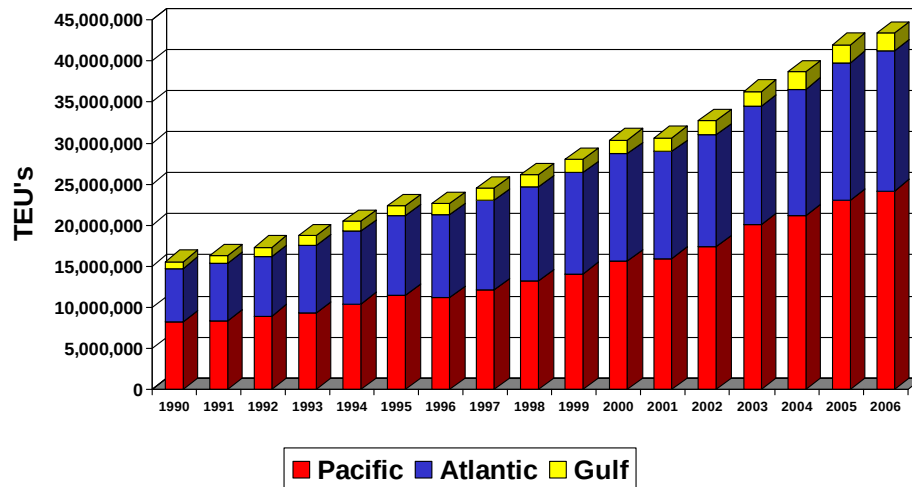
II. Overview of Containerized Cargo Activity

Due to the recent trends and shifts in the import container trade, and the accompanying growth in port development, specifically on the Atlantic Coast, an analysis of the US, Southeast Atlantic and Florida container markets are presented.

1. The United States Container Market

Since 1990, containerized cargo handled at the US ports increased from 15.6 million TEU's to nearly 43.4 million TEU's in 2006. This accounts for an average annual growth rate of 6.6% annually over the period. Exhibit 1 shows the growth in containerized cargo at the key port ranges in the United States—the Pacific Coast Port Range, the Atlantic Coast Port Range and the Gulf Coast Port Range. The Pacific Coast Ports have shown slightly higher growth over the 16 year period, with a 7.0% growth.

Exhibit 1 - Total Containerized Cargo Activity by Port Range (TEU's)

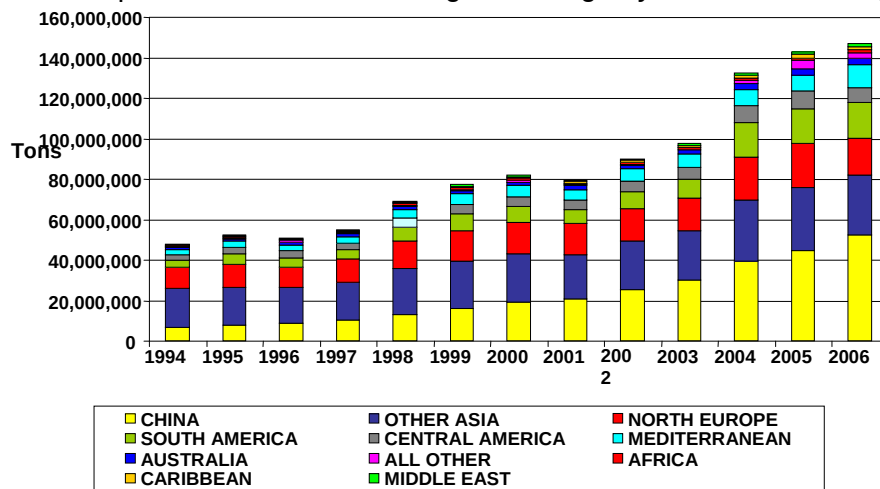


Source: American Association of Port Authorities

The growth in container trade has been driven by imported cargo, which has shown a 9.8% annual growth rate since 1994, and since 2003, the growth rate of containerized imported tonnage has averaged 14.7% annually. Imported containerized cargo tonnage is shown in Exhibit 2, which also presents the growth in container tonnage into the US by World Trade Area¹. As this Exhibit also shows, the growth in imported containers has been driven by the growth in trade with China.

¹ It is to be emphasized that the containerized activity by trade lane is expressed in terms of tonnage rather than container moves or TEU's, since the international trade data only focuses on containerized tonnage and does not include empty container moves.

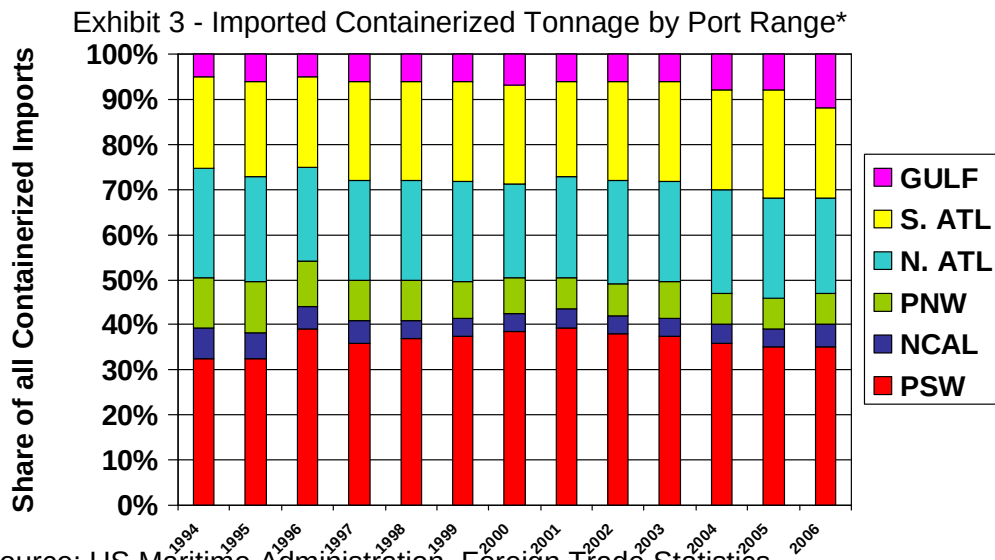
Exhibit 2 - Imported Containerized Cargo* Tonnage by Overseas Trading Area



Source: US Maritime Administration (MARAD), Foreign Trade Statistics

* 2006 data reflects new data base reported by MARAD

The West Coast ports have handled about 46% of all imports into the United States, followed by the South Atlantic ports (from Norfolk to Miami) which handled 24% of total containerized imported tonnage. The North Atlantic Ports handled about 22% of total imported containerized tonnage. Exhibit 3 shows the distribution of the imported containerized cargo tonnage by port range.



Source: US Maritime Administration, Foreign Trade Statistics

* 2006 data reflects new data base by MARAD

Within the West Coast Ports, the San Pedro Bay Ports of Los Angeles and Long Beach handle about 35% of the imported Asian containerized cargo. This dominance of the Asian trade by the West Coast Ports, and in particular the Ports of Los Angeles and Long Beach, particularly in the late 1990's through 2002, was driven by the fact that importers viewed these ports as the major port linkage in the supply chain of imported cargo.

Prior the mid to late 1990's, the steamship lines determined the port routings and importers were essentially "port blind" as they selected an ocean carrier, and the carrier decided which port the cargo would be discharged and how the cargo would be delivered to the customer. However, as the concentration of large importers such as Wal*Mart, Target, Cost Plus, etc. increased in the late 1990's, these importers invested in large distribution centers in the Los Angeles/Long Beach area to serve as points in the importers' logistic supply chains. As these importers gained bargaining power in terms of contract negotiations with the ocean carriers, they were able to "demand" a San Pedro Bay port routing from the carriers. Hence, with the development of the distribution centers and cross dock operations² in the San Pedro Bay region, the concentration of imported Asian containers at the Ports of Los Angeles and Long Beach increased. Furthermore, the railroads providing intermodal services at the San Pedro Ports further increased investment in rail trackage and intermodal yards to facilitate the flow of containers from the Los Angeles area to the key Midwestern and Eastern consumption centers such as Chicago, Memphis, St. Louis, New York, Atlanta, Columbus, etc. This concentration of containerized cargo import activity continued to increase until several events occurred.

These events are the impact of 9/11 on the distribution supply chain, the 2002 West Coast Port shutdown, and major congestion issues that arose in 2004 due to rail meltdowns at the San Pedro Bay ports. As a result of these events, there has been an increased focus on diversification of containerized cargo via various US Ports. This is evident by the growth in container volume at the North Atlantic, South Atlantic and Gulf Coast ports.

The growth of all water service from Asia to the East Coast and Gulf Coast ports has been increasing significantly since 2002. There are two all water routings that are available for all water services – the Panama Canal and the Suez Canal. Each of the routings provides advantages and disadvantages to the use of the intermodal cargo (railed from the West Coast ports). For example, the current dimensions of the Panama Canal limit the size (width and depth) of the vessels that can transit the Canal, and also the transit time using an all water service to an East Coast port and then a rail move to a Midwestern consumption point is longer than using an intermodal move via a West Coast Port. This longer transit time from Asia results in increased inventory carrying costs, and is more pronounced for higher value cargo than for lower value cargo. In addition, ocean carriers prefer to internalize the revenue for the entire trip from Asia to the East Coast rather than sharing the revenue with a rail carrier from the West Coast to an East Coast consumption point. However, changes are in play to improve the current negatives of using the Panama Canal. The Canal will be enlarged within the next 10 years, allowing for the transit of much larger container vessels, which in turn tend to have a lower per unit operating cost than smaller container vessels. In addition, the ocean carriers are introducing more direct all-water services that are improving the transit times using all water routings from Asia. Underscoring the focus on all water container services via the Panama Canal is the fact that during the first quarter of 2007, container vessel transits via the Panama Canal were nearly 13% higher than for the

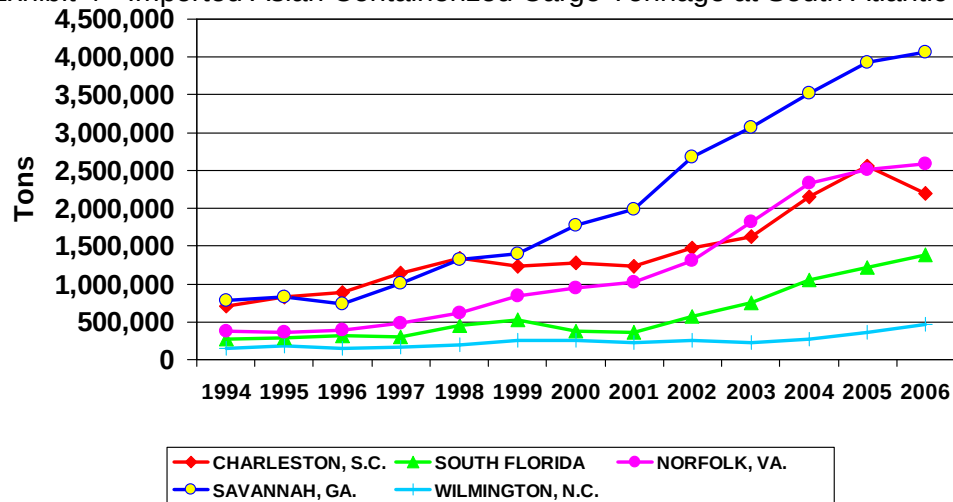
² Cross-dock or transload operations refer to the activity whereby marine containers are stripped and the contents are loaded into larger 45 and 53 ft. domestic trailers as the Asian cargo tends to cube out rather than weight out. The use of the domestic containers reduces the effective surface transportation cost per ton or unit, as more cargo can be placed into these large trailers without causing the trucks to be in an overweight situation.

same period in 2006. This is in contrast to the less than 3% annualized growth rate realized by the San Pedro Bay Ports in 2007.

With respect to the Suez Canal, the dimensions of this canal do not limit the size of the container ships that can transit, but there is some concern over political instability in the region. The Suez routing from Asia to the East Coast is longer than via the Panama Canal, but as production centers shift to South Asia and India, this routing can in some cases provide very competitive transit times to the use of the trans-pacific routings and the use of intermodal moves from the West Coast to the East Coast. In addition, ocean carriers are increasing India-Europe express services, with the use of Mediterranean ports for transshipment centers for cargo destined further to the US and Europe. The Suez routing is becoming particularly attractive as the production centers are shifting into India and Vietnam. Supporting this growth in production centers in India is the fact that the Indian Government, along with private sector interests, are investing heavily in port infrastructure to accommodate the growth in India. Indian Government investment is estimated at \$12.5 billion and private sector investment is estimated at another \$8.5 billion. Between April 2006 and June, 2007, containerized cargo moving via the Suez Canal has grown at an annual rate of 18%.

Exhibit 4 presents Asian container imported tonnage throughput at key South Atlantic Ports. The Port of Savannah is the dominant port in terms of imported Asian containerized cargo, and Norfolk has overtaken the Port of Charleston in Asian containerized imports. This growth in containerized cargo reflects the change in logistics patterns after 2002, and the accompanying growth in distribution centers at these two ports. South Florida ports of Port Everglades and Miami handling Asian imports have increased steadily since 2001.

Exhibit 4 - Imported Asian Containerized Cargo Tonnage at South Atlantic Ports*

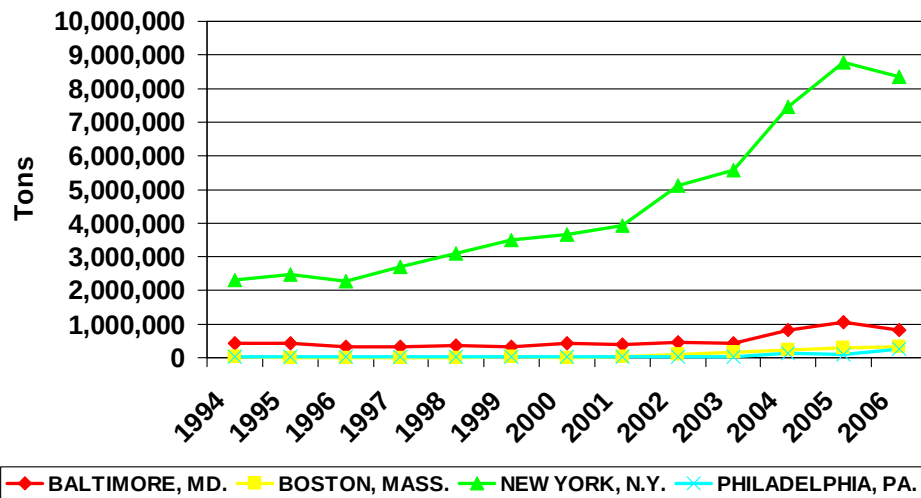


Source: US Maritime Administration

* 2006 data reflects new data base reported by MARAD

Exhibit 5 shows the growth in Asian container import tonnage at the North Atlantic ports, and documents the dominance of the Port Authority of New York and New Jersey.

Exhibit 5 - Imported Asian Containerized Cargo Tonnage at North Atlantic Ports*

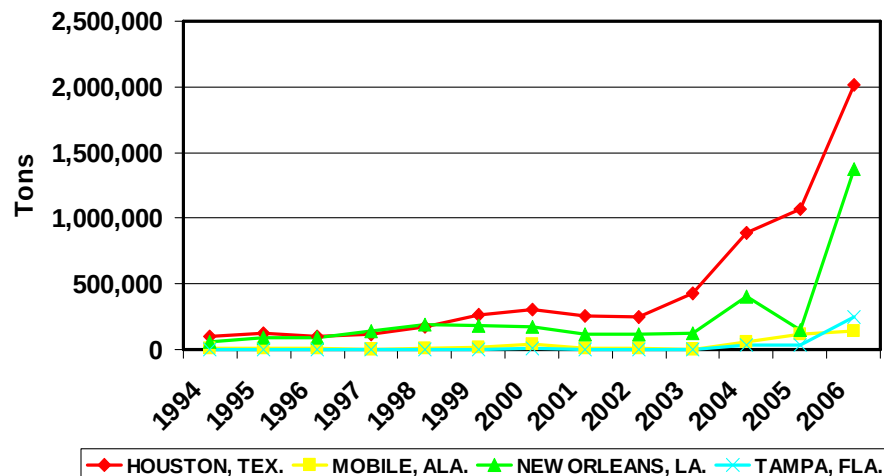


Source: US Maritime Administration

* 2006 data reflects new data base reported by MARAD

Exhibit 6 presents the growth in Asian imported containerized cargo at the Gulf Coast Ports, and demonstrates the strong growth in the all water services at the Port of Houston as well as the Port of New Orleans, and the recovery of this port from the impact of Katrina.

Exhibit 6 - Imported Asian Containerized Cargo Tonnage at Gulf Coast Ports*



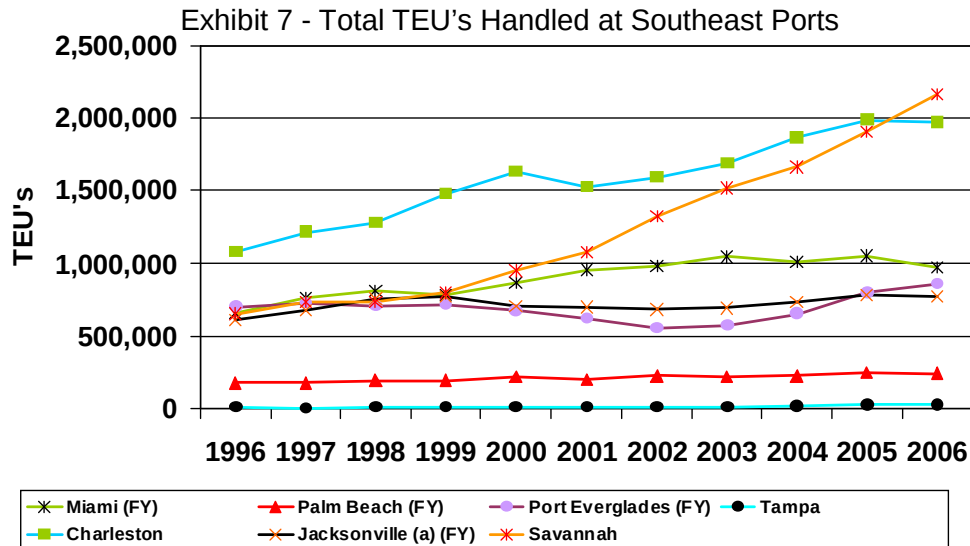
Source: US Maritime Administration

* 2006 data reflects new data base reported by MARAD

2. The Southeast Atlantic and Florida Container Market

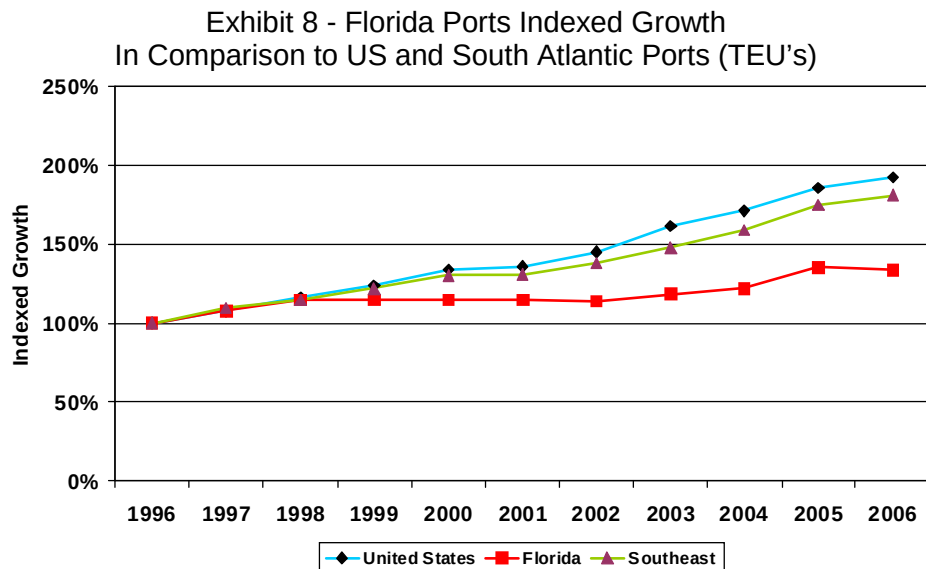
While the growth in the US market has been documented, it is necessary to focus on the Southeast and Florida container market to assess the feasibility of an ILC in South Florida.

The ports of Savannah and Charleston have dominated the South Atlantic in terms of containerized cargo as shown in Exhibit 7.



Source: American Association of Port Authorities

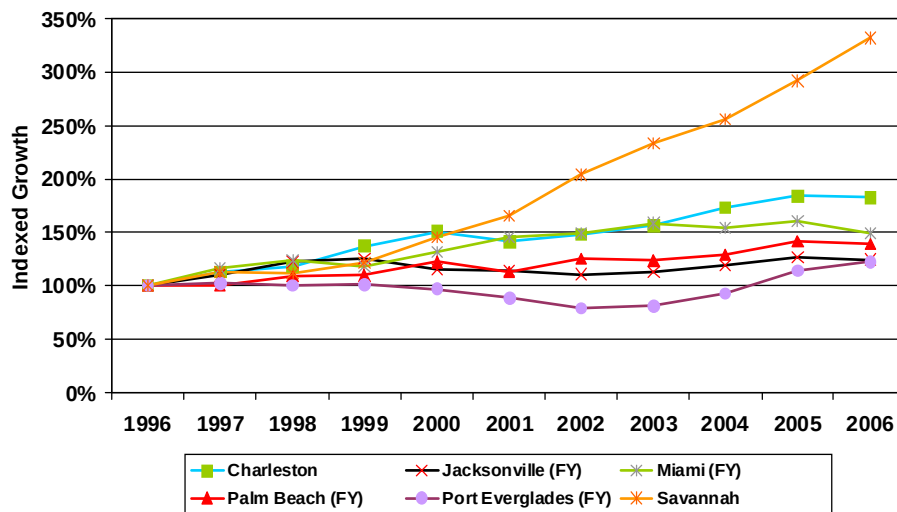
Exhibit 8 illustrates that the Florida ports have lagged behind the growth of the Southeast range as well as the United States as a whole. This is attributed to the fact that the niche markets of Latin America and the Caribbean, in which Florida container ports are heavily vested, have not kept pace with the growth demonstrated by Asian and European trade lanes.



Source: American Association of Port Authorities

The port that has exhibited the most growth in containerized traffic in the Southeast is clearly Savannah at roughly 340% above 1996 levels; Charleston ranks a distant second with 180% over the same period. Exhibit 9 details the indexed growth of TEU's by each key Southeast Port.

Exhibit 9 - Comparison of Indexed Growth of Southeast Ports (TEU)



Source: American Association of Port Authorities

3. Competitive Assessment of Southeast Ports

The development of the Port of Palm Beach ILC will not only support the Port of Palm Beach, but will also benefit the two major South Florida Ports, specifically Port Everglades and Port of Miami, as a regional distribution center. Therefore, it is necessary to document key port infrastructure developments that will affect near and long-term capacities within the competitive Southeast port range. A port-specific discussion of recent improvements and future strategies of South Florida's competition follows.

Port of Charleston Through 2005, the Port of Charleston led the South Atlantic in container moves, experiencing a 5.8 percent annual growth over the 1990-2006 period. Since 2001, however, the Port has not recorded the explosive growth experienced at Norfolk and Savannah. Container moves via Charleston since 2001 have grown at an average annual rate of 5.2 percent. One key reason Charleston has not shown double-digit annual growth in the more recent years is that it has not increased its share of the Asian import cargo market as have Norfolk and Savannah, but rather has grown in market share of European cargo.

The port has approximately 395 acres of dedicated container terminal operations. To accommodate the larger container ships serving world trade, the Charleston Harbor channels leading to all container terminals are now dredged to -45 feet at mean low water (5- to 6-foot tidal lift), while the entrance channel has been deepened to -47 feet.

In addition, Charleston's new real-time, RF-based container inventory network, yard management system (YMS), is now operational at all Charleston container terminals. YMS has allowed the port to handle a much larger cargo volume, with the same staff all while cutting turn times.

Finally, the Port of Charleston's plan includes the development of a new three-berth, 280-acre container terminal on the former Charleston Naval Complex. The \$600-million project, supported by South Carolina law, will boost capacity by 1.4 million TEU's.

In December 2007, the approval was granted by both South Carolina and Georgia to create a bi-state port office to proceed with the planning and development of the Jasper Ocean Terminal. The parcel is approximately 1,400 acres that lies on the South Carolina side of the Savannah River in Jasper County.

In addition, the port has adopted a two-year, \$129 million Capital Plan FY08 which will boost capacity at current facilities by 400,000 container moves.

To attract additional Asian container service, the South Carolina Ports Authority has been pursuing a distribution strategy. To date, several distribution centers have located near the port or on port property. These distribution center developments include:

- Wal*Mart DC operated by American Port Services on port property;
- Sam's Club distribution center near Wando Welch Terminal;
- Fruit of the Loom 350,000 sf distribution center under construction;
- 1.3 million sf of distribution center capacity in mid-South Carolina; and
- 10,000 acres of developable within a 1-hour drive of Charleston.

Over the long-term, an average annual growth rate of 3 percent to 6 percent is most likely to be achieved.

Port of Savannah The Port of Savannah has exhibited strong growth in container moves, averaging an 11 percent annual growth over the 1990-2006 period. The most explosive growth has, however, occurred since 2000, with container moves via the Port of Savannah more than doubling between 2000 and 2006. This growth in the last five years reflects the continued development of distribution centers in the Savannah area and the growth in all-water Asian container services.

The Port of Savannah is the fastest growing port in the South Atlantic with respect to trade with Asia and China. It currently handles 1.9 million TEU's. By increasing terminal density and throughput capacity, the port can expand capacity to about 3 million TEU's.

The Port of Savannah is home to the largest single-terminal container facility of its kind on the US East and Gulf Coasts; the facility comprises two modern deepwater terminals, Garden City Terminal – the key container terminal --and Ocean Terminal – a mixed-use facility for break-bulk, container, and RO/RO cargo. The Garden City Terminal is a 1,200-acre facility that features 9,693 linear feet of continuous berthing and more than 1.3 million square feet of covered storage. The terminal is equipped with fifteen high-speed container cranes (4 super post-Panamax and 11 post-Panamax) as well as an extensive inventory of yard-handling equipment. The port plans to spend \$1.2 billion over the next ten years on terminal densification efforts, including the addition of 2 post-Panamax cranes every 18 months. In addition, Garden City Terminal is within 6.3 miles of I-16 (east/west) and 5.6 miles of I-95 (north/south), with access to more than 100 trucking companies.

CSX Transportation (CSXT) and Norfolk Southern Railroad (NS) provide Class I rail service. As a key intermodal advantage, the "James D. Mason" on-terminal intermodal container transfer facility (ICTF), or "Mason" ICTF, provides overnight rail service to Atlanta. Two- to four-day delivery via the ICTF is also available to inland destinations such as Charlotte, Chicago, Dallas, and Memphis.

In addition to increasing throughput by increasing densification, the port has additional land for future container terminal development. The GPA can add another 80 to 90 acres to Garden City in the short to medium term, plus another 150 acres in the longer term. An additional 500 acres are available in the long-term for terminal development on Kings Island.

As the volume of cargo moving through the Port of Savannah escalates and the ships carrying that cargo grow even larger, plans call for Savannah's channel to be deepened from its present depth of -42 feet to -48 feet at mean low water to accommodate the next generation of deep-draft vessels. Completion of this project is projected for 2010.

The Port of Savannah has set the standard for distribution center development on the East Coast, beginning with K-Mart in the early 1980s. These developments reflect Savannah's proximity to Atlanta and other Southeastern markets. The GPA has attracted over 20 distribution centers, totaling nearly 15 million square feet.

In addition to land available for future container growth, 350 acres are still available at the former BASF property (now owned by GPA). This acreage has been targeted for distribution center and industrial development use. Finally, in Chatham County, suitable land has been identified for 10 million square feet of distribution center development. With the rapid growth in container movements in the last five years, and the aggressive distribution center strategy, the Port of Savannah will likely be able to sustain an annual growth rate in the 7 to 10 percent range.

Jacksonville Port Authority (JAXPORT) JAXPORT has not been a key player in the container markets, with the exception of its Puerto Rico and Caribbean trade. The port controls about 73 percent of the US-Puerto Rican trade.

However, Mitsui OSK Lines (MOL), along with Trapac, has signed a long-term lease to develop a 130-acre (200-acre at full build-out) dedicated container terminal at Dames Point. This development will add capacity of nearly a 1 million TEUs to the port. In addition, the recently announced plans for an additional container terminal development by Hanjin, JAXPORT is poised to become a dominant player in the South Atlantic container market. In addition to these developments, interest by other terminals and ocean carriers continues at the Port of Jacksonville. This interest is driven by the excellent transportation infrastructure at the Port of Jacksonville, the development of distribution centers and industrial parks in Jacksonville and the market reach of the Port of Jacksonville into the major consumption centers in Orlando, Central Florida and Southern Florida.

Jaxport's Blount Island and Dames Point Terminals (15 miles from mouth of St. John's River) are now dredged to a maintained depth of -40 ft. The Talleyrand terminal is maintained to -38 ft. The Port is undergoing the authorization process to deepen to -45 ft.

JAXPORT's transportation infrastructure consists of the following:

- Excellent north-south rail access to Southern Florida via Florida East Coast Railroad (FEC);

- Access via CSX into Central Florida and the Winterhaven industrial distribution center currently under development by CSX;
- East-west rail service via CSX and NS and good northbound service as well into the Midwestern US;
- Excellent highway access to key Southeastern markets; and
- The ability to take advantage of the large number of empty domestic trucks (empty backhauls) that are returning northbound from the Central and South Florida consumer markets which will reduce outbound trucking costs from the Port of Jacksonville, as these empty backhauls are searching for return cargo, particularly northbound and into the Midwestern US.

Accompanying the container terminal development at Jacksonville, there has been significant actual development and interest in the development of distribution centers in the area. Currently BJ's and Wal*Mart have distribution centers near the Port, and these are primarily used for export activity to the Caribbean. The Westside Industrial Park consists of a 960 acre master planned development with 4 million sf of space, while the Northpoint Industrial Park consists of ten, 150 acre sites. The City of Jacksonville is also pursuing a distribution center development strategy and is in full support of the Port of Jacksonville's growth. Given these factors, it is likely that containerized cargo throughput will grow strongly in the short- to medium-term.

Port of Palm Beach With respect to containerized cargo, the Port of Palm Beach primarily competes in the Caribbean market, which accounts for approximately 93% of the port's container volume. In FY 2007, the port handled over 257,500 TEU's and since 1990, the port has steadily grown at 4.7% annual growth rate. This has been attributed to the growth and success of the Port's key container carrier, Tropical Shipping, who serves ports throughout the Caribbean including the Bahamas, US Virgin Islands and Dominican Republic.

The Port's primary container carrier, Tropical Shipping operates one of the most efficient terminals on the East Coast averaging over 5,500 TEU/acre, while the US East Coast average is approximately 3,100 TEU/acre. The infrastructure to create this capacity and the resulting efficiencies are largely due to the Port's \$80M investment over the last decade with an additional berth and elevating US Highway 1 over the port.

While it is expected that the Port of Palm Beach will continue to exhibit growth in the Caribbean, specifically the Bahamas trade, it is unlikely that the port will compete for Asia, India Sub-Continent (ISC) and European cargoes. This is due to the fact of the limited draft of -32' at High Water that prohibits vessels in excess of 700' LOA to enter the port. Urban development and recreational marine industries nearby severely constrain any major port expansion.

In 2005, the Port embarked on a 10-year capital improvement program estimated at \$122M. (http://www.portofpalmbeach.com/master_plan.htm) To address the navigational safety and depth/length, the US Army Corps of Engineers kicked off the Palm Beach Harbor Feasibility Study in October 2007 with the report scheduled for an authorization in the 2010 WRDA Bill. Ship simulations the summer of 2008 are expected to reveal a recommended project depth from -37' to -42', and the possible length of vessels up to 825' LOA.

Land and current infrastructure constraints are being dealt with by redeveloping and improving the port with three major construction projects which began in 2007, while the Port is targeting markets for Central and South American cargoes.

One of the Port of Palm Beach's promising assets is its on-dock rail, which served Cuban trade in the 1950s, and the Port operates its own switching operations and interchanges with Florida East Coast Railway (FEC) bordering the Port to the west. In FY 2007, the Port Railroad switched out nearly that 11,000 cars, an 8.6% increase over 2004, and the trend continues. FEC's revenues for 2006 were up over 19% for intermodal cargo. Their marketing focus of building intermodal freight is exacerbated by the July, 2007 Miami federal judge's ruling closing aggregate mines in the Lake Belt Region. The ruling forced the immediate closure of approximately 35% of the Lake Belt production equating to 19 million tons annually. In 2006, the Lake Belt aggregate accounted for 27% of FEC's business. In addition, there is a potential to connect to CSX which is less than 3 miles to the west of the Port, and the development of the Winter Haven complex, which, at full build-out, will encompass more than 1200 acres, may provide access opportunities for port-related cargoes in Palm Beach and South Florida.

The Port recently has improved its on-dock rail, redeveloped land for cargo laydown and will open a second truck gate off of US Highway 1 in mid-2008. The Port has thus far received commitments of over \$35M in grants from the Florida Department of Transportation, which has recognized the importance of augmenting capacity to the Southeast Florida ports.

Port Everglades In FY 2006, Port Everglades handled nearly 5.7 million tons or 864,000 TEU's of waterborne containerized cargo. Since 1996, containerized cargo handled at the Port has grown at 2.1 percent annually. Over the past 4 years, however, the Port has experienced growth in container traffic of 14.9 percent annually, primarily due to the relocation of carriers from Miami such as Mediterranean Shipping Company (MSC), and Antillean Marine. Recently however, terminal operator A.P. Moller-Maersk requested to be released for its lease at Port Everglades.

About 85 percent of the cargo handled at Port Everglades is dedicated to the Latin America and Caribbean regions. The remaining 15 percent primarily comprises Asian/Indian Sub-Continent and European cargoes. The Port's large share of Latin American/Caribbean cargo is attributed to the strong presence of Latin American-related businesses and shippers in South Florida.

The Port is in the final stages of adopting a Vision Plan that will include new berthing configurations as well as an ICTF that will serve the FEC Railroad. While the berthing depths range from -38 to -44 ft., the port does have an issue regarding the channel width leading to the Southport terminals.

Port of Miami The Port of Miami's primary cargo markets are Latin America and the Caribbean, accounting for 56 percent of the Port's cargo. Miami has traditionally been a regional port, serving South Florida and trading partners to the south. The port has experienced a 6.2 percent annual growth rate in container throughput over the 1990 to 2006 period. Historically, this growth has been driven by the port's proximity to a major consumption market and the connections to the Latin American markets. In recent years, Miami has experienced a decline in regional market activity which has been partially offset by increased Far East trade.

While the port is land-constrained, a \$540 million capital improvement program is in place to increase capacity through yard densification as well as a phased dredging plan. Recently the Port of Miami completed Wharves 6 and 7, at a cost of \$13.8 million. The two wharves were designed to accommodate post-Panamax vessels, those too large to transit through the Panama Canal. The addition of 1,145 feet to the gantry docks brought the total length of the wharf to approximately 6,120 feet. The combination of an expanded gantry crane area and two new container cranes allows the Port of Miami to continue its aggressive marketing efforts to attract more cargo carriers and pursue new markets. Also completed was the resurfacing of the Port of Miami Terminal Operating Company's (POMTOC) and Seaboard Marine's container yards, and improvements to the drainage system. These enhancements will contribute to greater operating efficiencies and allow the terminal operators to boost their container-marshalling capacity by increasing the vertical density at their respective yards.

In December, 2007, the Miami city commission voted to proceed with the tunnel project that will link the Port of Miami terminals to I-395 and I-95 and therefore relieving truck congestion through the City. The cost of this long-term project is estimates at \$914 million.

Phase II of the Port of Miami harbor-dredging project was completed in 2005. The second phase of the project involved the deepening of the South Channel and the Central Turning Basin from -34 feet to -42 feet. Maintenance dredging of all berthing areas is also part of the project. The completion of Phase II provides four additional berths to handle the deeper-draft vessels, placing the Port of Miami in a more competitive standing in relation to other deepwater seaports.

Phase III of the port's harbor-dredging project involves deepening the South Channel and the Central Turning Basin to -50 feet and the Entrance Channel and Government Cut to -52 feet, and widening the South Channel by 100 feet. This large-scale dredging project, expected to take up to six years, has a price tag estimated at more than \$170 million.

Overall, it is likely that the Port of Miami will continue to be a regional port serving South Florida and will continually have to compete with an aggressive pricing situation at Port Everglades. There is some possibility that more of the Miami market can be served from Jacksonville due to advantageous north-south truck backhaul rates, as well as the use of the FEC. This possibility will increase as the level-of-service increases at Jacksonville.

Port of Tampa Historically, the Port of Tampa has not participated heavily in the containerized market. The addition of Zim Container Line has boosted throughput in recent years. Although, historically, trade in containers has been in the Latin American and Caribbean markets, diversification of world markets has increased in recent years.

Tampa currently has 25 acres dedicated to container development; however there is an additional +/-80 adjacent to the terminal that can be developed in the near-term if necessary. It is likely that the Port of Tampa's container volume will continue to grow, if the port expands its container-handling capacity. The port has various sites available for container development which include Port Redwing, Hookers Point, and Pendola Point; however, significant capital investments would need to be made to

develop these sites. With capital development in container operations, the Port of Tampa has the potential to serve the growing consumer market in Central Florida's I-4 Corridor as well as Southwest Florida.

4. Growth in Port-Related Distribution Center Activity

A key driver in the growth of Asian trade at East Coast ports (using the Panama Canal and the Suez Canal) is the increased focus on the development of distribution centers by major importers. This trend toward distribution center development has resulted from the desire of the importers to diversify the logistics systems, particularly in light of the 2002 West Coast Port Shutdown, which caused major supply chain disruptions on the key importers and exporters supply chains. Specific examples of near-port Distribution Center development are documented below:

The Georgia Port Authority (Port of Savannah) has attracted 19 distribution centers totaling 15 million SF including:

- Advanced Auto Parts;
- Target (2.1 Million SF);
- IKEA (1.7 Million SF);
- Bass Pro Shops;
- Best Buy;
- Pirelli Tires NA;
- Federal Express;
- Lowes;
- The Home Depot (1.4 million SF);
- Wal*Mart (Savannah & Statesboro = 3.3 million SF); and
- Oneida.

The Virginia Port Authority has also been aggressively pursuing the development of distribution centers. Current distribution centers in the Hampton Roads area and the Front Royal area (which is the location of the Virginia Port Authority's inland port) include:

- Target (1.5 million SF and expanding);
- Wal*Mart Distribution center – 1 million SF initially and expanded to 3 million SF;
- Cost Plus expanded to 1.1 million SF;
- Dollar Tree;
- QVC;
- Home Depot at Front Royal; and
- Family Dollar at Front Royal.

Similar distribution center development is also occurring in Houston, fueling growth in Asian cargo imports at the Port of Houston. These developments include:

- Cedar Crossing area site of 4 million SF distribution center for Wal*Mart;
- Home Depot potential development; and
- 8,000 acres of land available for DC and industrial development.

Other ports including Charleston, Wilmington (NC), Baltimore and New York are also aggressively pursuing distribution center development.

With respect to Florida, such development is also occurring in the Jacksonville area with the recent announcement of Asian carriers such as MOL and Hanjin to begin service in Jaxport.

5. Development of Container Terminal Capacity and Densification

In response to the distribution center development and the growth in all water service, new container terminal capacity is being developed on the Atlantic and Gulf Coasts. For example, at the Port of Mobile, AP Moeller and CGM/CMA have developed the Choctaw Point Container Terminal. The Port of Houston is developing the Bayport Container Terminal, while the Port of Charleston is developing a new 286-acre container terminal at the Charleston Navy Base. The North Carolina State Ports Authority is developing a 600-acre container complex near Wilmington, NC, and A.P. Moller-Maersk has developed a nearly 300-acre terminal at Portsmouth, Virginia, and the Virginia Port Authority is developing a 600 plus-acre facility at Craney Island. Other terminal development is planned along the Delaware River.

In addition to these noted terminal development plans, the ports on the East Coast operate at approximately 3,100 TEU's per acre – well below the current level of 5,500 TEU's per acre at the container terminals in the Ports of Los Angeles and Long Beach. Furthermore, the development of new terminals will aim for densification well above that benchmark. For example, the APM facility at Portsmouth, VA has been designed with the potential to attain 13,000-15,000 TEU's per acre.

Exhibit 10 depicts the 2006 East Coast densifications by Port, while Exhibit 11 presents the significant capacity enhancements planned for the Atlantic Coast. The column labeled “*Current Capacity with Densification*” assumes 5,500 TEU's per acre are achieved and “*Current Densified + Planned Potential*” column represents the near, medium and long term development plans.

Exhibit 10 - Current Densification of Atlantic Coast Ports

PORT	2006 TEU'S	ACREAGE	TEU/ACRE*
BOSTON	200,113	101	1,981
NEW YORK/NEW JERSEY	5,320,143	1,261	4,219
PHILADELPHIA	247,211	228	1,084
BALTIMORE	627,951	354	1,774
NORFOLK	2,092,799	619	3,381
WILMINGTON, NC	177,634	100	1,776
CHARLESTON	1,968,474	395	4,983
SAVANNAH	2,160,168	1,200	1,800
JACKSONVILLE	768,239	215	3,573
PALM BEACH	244,002	46	5,304
PORT EVERGLADES	864,030	275	3,142
MIAMI	976,514	261	3,741
TOTAL US EAST COAST	15,647,278	5,055	3,095
*BASED ON GROSS ACREAGE			

Source: AAPA, Martin Associates and port interviews

Exhibit 11 - Planned Container Capacity Excluding South Florida (TEU'S)

PORT	2006 TEU HANDLED	CURRENT CAPACITY WITH DENSIFICATION	CURRENT DENSIFIED + PLANNED/POTENTIAL
MASSPORT	200,113	555,500	720,500
PORT NJ	5,320,143	6,935,500	7,930,500
PHILADELPHIA	247,211	1,254,000	1,941,500
WILMINGTON, DE	262,856	300,000	1,362,856
BALTIMORE	627,951	1,947,000	4,147,000
NORFOLK	2,092,799	3,404,500	9,012,500
WILMINGTON, NC	177,634	327,634	2,550,000
CHARLESTON	1,968,474	2,172,500	8,922,500
SAVANNAH	2,160,168	6,600,000	6,600,000
JACKSONVILLE	768,239	1,182,500	2,282,500
TOTAL EAST COAST	13,825,588	24,679,134	45,469,856

Source: AAPA, Martin Associates and port interviews

These two exhibits demonstrate that the vast majority of East Coast ports are able to increase densification by terminal improvements and the near and long-term planned capacities indicate that East Coast ports will not likely become capacity constrained in the long term. Assuming a robust 6% CAGR, the total East Coast TEU's handled in 2025 would be estimated at 41.8 million, about 3.5 million less than the potential planned 45.4 million TEU capacity of the ports.

Accompanying the development of new container capacity is the growth of private sector investments in marine terminal capacity. Historically, port investment in the United States has been from the public sector, mostly by port authorities issuing bonds to fund the developments. However, recently, private entities have become a force in terminal development. For example, A.P. Moller-Maersk has developed its own terminal at Portsmouth, VA and has invested in the Mobile Choctaw Point Terminal. Stevedoring Services of America, (SSA) has invested in a proprietary terminal at the Port of Tacoma, and has recently been purchased by Goldman Sachs. AIG has purchased the Dubai Ports US Holdings for over \$1 billion, as well as AMPORTS (a major car import processing operation) and Marine Terminal Corporation. The Ontario Teachers Pension Fund has invested in several container terminals in New York, as well as in Vancouver, BC. Deutsch Bank has purchased Maher Terminals, which in turn has developed a terminal at Prince Rupert, BC. Other key investors in port infrastructure include Morgan Stanley, Macquarie Bank, Babcock & Brown and Goldman Sachs.

6. Implications for Florida Ports

Given the analysis in the previous sections of this chapter as well as the niche markets served by the Florida ports, interviews were conducted with key ocean carriers calling the Florida and East and Gulf Coasts to determine how the Florida ports will fair in light of port developments and liner operations of in the future. Martin Associates combined the findings of the interviews with in-house data to assess the potential implications of the South Atlantic range, and, specifically the South Florida ports. The results of the findings are summarized below:

As the Suez and Panama Canal liner services become more prevalent, larger vessels in excess of 10,000-12,000+ TEU's will be put into service on these routings.

There are two distinct services in which carriers will deploy vessels of this size. First, while terminal infrastructure and dredging projects are planned or under way at virtually every Atlantic Coast port, there are few ports that can accommodate this larger class of vessel. Charleston, Savannah, Norfolk and New York will emerge as the key participants in this market in the near-term. Savannah and Charleston can serve the Southeast hinterland, while Norfolk will serve the Mid-Atlantic and Midwest with the completion of the Norfolk Southern Heartland Corridor Project and New York will serve metro New York and the Northeast market. With respect to vessel rotations in Florida, Jacksonville is also well positioned due to the fact that it will go to a maintained channel depth of -45 ft. Jacksonville will also be used as a first port of call with slightly smaller vessels. The Port of Miami will complete dredging to the depth of -50/-52 ft., and boxes discharged will be destined for local consumption. Port Everglades, however, will need to address channel width and turning basin size issues to bring in a large TEU capacity vessel. Even with anticipated landside improvements, Palm Beach's depth will most likely limit its participation in this market, while the Port of Tampa is at a disadvantage due to its depth as well as its Gulf Coast location.

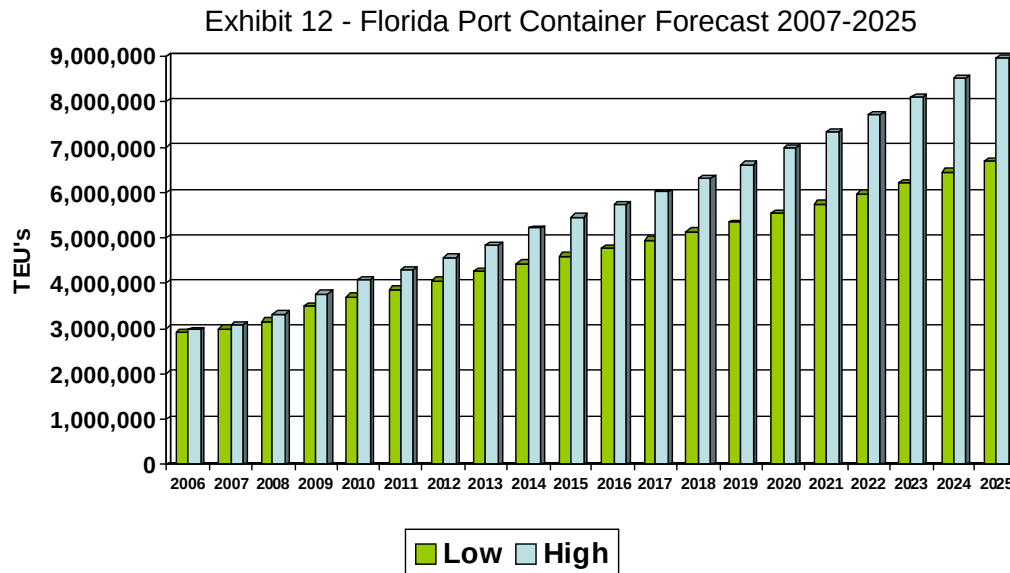
The other potential for these vessels is that the Suez and Panama trade lanes will discharge Asian and Indian Sub Continent cargo at transshipment ports in the Caribbean. Transshipment activity at US ports has diminished over the past decade due to strict US governmental regulations (including post-9/11 security as well as USDA APHIS/PPQ policies) and the development of other key transshipment facilities in the Caribbean. Capacity developments at key Caribbean transshipment hubs such as Colon (Panama), Kingston (Jamaica), Freeport (Bahamas), Caucedo (Dominican Republic) and Port of the Americas (Puerto Rico) will compete for east-west traffic. Furthermore, offshore labor rates are more conducive to transshipment operations than US labor structures. The carriers will consolidate cargo at these hubs and then deploy feeder vessels to the Gulf and Atlantic Coasts.

While the ports of Miami, Port Everglades and Tampa will benefit from these increased feeder operations, the South Florida ports will continue to serve the "local" market. The carrier's perception is that South Florida ports will not be able to serve north of Central Florida. This is exacerbated by the fact that the Port of Miami does not provide on-dock rail access. Without direct on-dock access a dray is required to the rail head. Trucking rates for a local dray within Miami-Dade County are estimated at \$175 per one way move. Port Everglades will become more attractive on the north-south rail move with the completion of the ICTF as set forth in the newly adopted Master Plan; however the majority this cargo will be comprised a mix of domestic and Latin American/Caribbean traffic.

7. Florida Ports Container Cargo Forecast

As part of the demand forecast for Distribution Center potential in South Florida, it is first necessary to develop long-term cargo forecasts for containerized cargo. Martin Associates developed container forecasts through Florida ports based on the following methodology. Each trade lane serving the Florida ports was assigned a specific growth rate by trade route based on a breakdown of routes in 2006. Factors influencing the annual growth rates include historical performance of the Florida container ports, near-term forecasted performance of trading partners and increased all-water service through the Suez Canal. In addition to the applied annual growth rate, additional step-wise

increases were assumed for ports in anticipation of new services due and longer-term improvements such as the Panama Canal expansion. Also, estimations of discretionary land bridge cargo from the West Coast as well as Savannah were also incorporated. The annual growth rates, step-wise increases and land bridge potential cargo were then aggregated to include all Florida ports. Exhibit 12 illustrates the container forecast for all Florida ports.



Source: Martin Associates

Assuming the low scenario, Florida ports achieve a 4.6% annual growth rate, while under the high scenario an annual growth rate of 6.1% is achieved.

III. Florida Distribution Center Market Assessment

Due to the recent trends in the growth in Asian imports via East Coast ports, and the accompanying growth in distribution centers, the potential for distribution center development in South Florida is assessed in this section.

1. Overview of Florida Distribution Center Activity

The Distribution Center (DC) market in Florida has historically served not only retail and wholesale industries that serve the key consumption markets throughout the state with import and domestic shipments, but also the freight consolidators primarily located in South Florida and Jacksonville to serve the export Caribbean Island and Latin American trade as well as supply cruise vessels calling the Florida ports.

The majority of DC growth has occurred in three regions:

- Miami-Dade/Broward Counties: Serves the South Florida retail and wholesale markets; food wholesalers near the Port of Palm Beach, Port of Miami and Port Everglades infrastructure serve cruise and island export markets; consolidators focus on near-airport facilities to also serve air cargo market at Miami International Airport (MIA).
- I-4 Corridor (Tampa-Lakeland-Orlando): Serve growing population and tourism in Central Florida; also ability to serve South Florida retail and wholesale markets; excellent highway and rail access from hinterland.
- Greater Jacksonville Area: Ability to serve into North/Central Florida as well as westbound; inexpensive land, low congestion; excellent highway and rail access that can also access South Florida; high interest by Asian steamship lines to develop container terminals in Jaxport.

Maps of Distribution Center activity by key retail/wholesale industry can be found in Appendix A.

As part of this analysis, interviews were conducted with numerous commercial and industrial real estate developers and DC operators to determine the key factors and trends for development in Florida. The results of the interviews are summarized below:

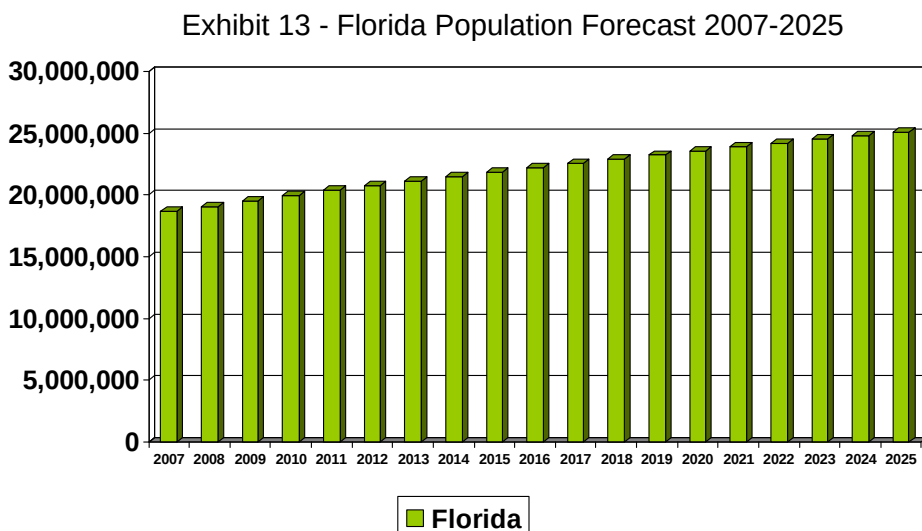
- Key factors driving decision making include lease/land rate, labor force and transportation costs (both ocean and inland);
- Majority of DC development is still occurring in Central Florida (I-4 corridor) specifically Polk County as well as Northern Florida – Greater Jacksonville Area;
- East-west accessibility is critical, I-4, and I-75;
- Geographic population center is in Polk County;
- Less expensive land and lease rates in Central and Northern Florida more attractive than South Florida;
- Dillards located an 800,000 sf DC in Valdosta, GA primarily due to competitive lease rates;
- Samsonite expanding to 800,000 sf in Jacksonville due to favorable lease rates and availability of labor force – closing Denver, CO DC;

- New Wal*Mart DC in Alachua – 1.2 million sf;
- Best Buy recently relocated its South Florida DC to Davenport, FL due to less expensive rates;
- Large DC facilities targeted for Central Florida – 500,000 to 1 million-plus sf;
- One developer has approximately 3 million sf in Tampa/Lake County region and is closing on 85 acres in St. Lucie County;
- South Florida market is being targeted to serve smaller parcels in the 50,000 – 300,000 sf range – these may act as “satellite” operations in conjunction with the larger DC developments in Central and Northern Florida;
- 1 million sf of DC space typically serves about 90 retail stores;
- 1 million sf of DC employs approximately 300-900 FTE depending on level of automation;
- 25 acres of land yields about 400,000 sf of DC space;
- Multiple-location DC’s tend to serve smaller radii and relocation or consolidation to more expensive South Florida not attractive; and
- Perception that the Port of Palm Beach, Port of Miami and Port Everglades still serving a local market, difficult to reach past Central Florida into the Southeast hinterland.

2. Distribution Center Demand Analysis

Given the implications for development of distribution center space in South Florida, the following analysis will project the total demand of DC space needed in Florida and the potential capture of a Palm Beach ILC.

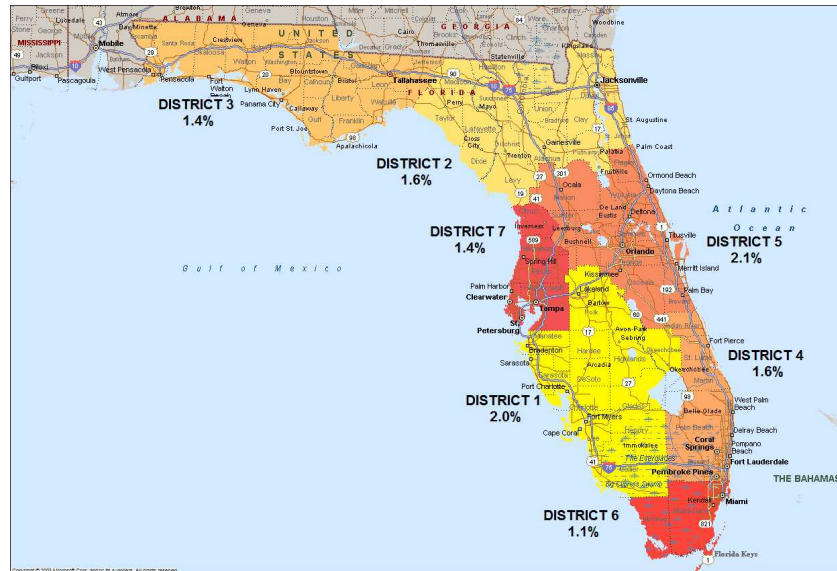
Distribution Center demand is directly linked to population and consumption. According to the Demographic Estimating Conference Database, Florida’s population is anticipated to grow to 25 million people by 2025, which equates to a 1.7% annual growth rate as shown in Exhibit 13.



Source: Demographic Estimating Conference Database, updated August, 2007

The same source also illustrates that FDOT Planning District 5 demonstrates the highest annual growth rate at 2.1% followed by District 1 at 2.0%. Palm Beach's District 4 is anticipated to grow at 1.6 % as illustrated below.

Exhibit 14 - Population Growth by FDOT Planning District 2007-2025



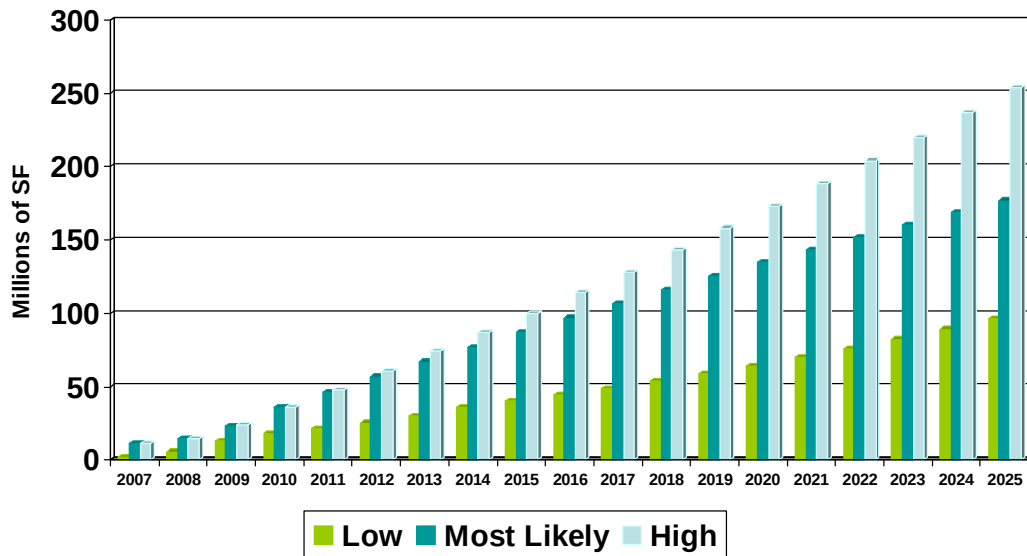
Source: Demographic estimating Conference Database, updated August, 2007

The demand forecast for DC square footage was generated by developing relationships between population and imported container activity as well as current industrial distribution space in Florida. Currently, the CB Richard Ellis MarketView Reports identify 515 million square feet of warehousing and distribution square footage in Florida key markets. To estimate the future demand for warehouse and distribution center space, the following relationships were developed.

- Projections of loaded inbound containers were developed, as previously described in the container market analysis;
- Historical Gross Domestic Product and Consumer Price Indices were examined;
- The number of loaded containers to DC square footage was developed from interviews with DC operators that identified throughput to square footage;
- The relationship of current Florida DC space to Florida population was estimated;
- Using these relationships, the low, most likely and high demand for additional DC square footage in Florida was estimated through 2025; and
- Finally, the ratio of South Florida population to total Florida population was estimated and used to identify the low and high additional DC space need to serve South Florida and Palm Beach's effective hinterland through 2025.

The incremental demand for new retail DC square footage that will be absorbed in Florida is estimated from the current base of 515 million SF, as estimated by CB Richard Ellis statistics. The high and low demand forecast for distribution center square footage is shown in Exhibit15.

Exhibit 15 – Florida Distribution Center Demand/Absorption Forecast 2007-2025

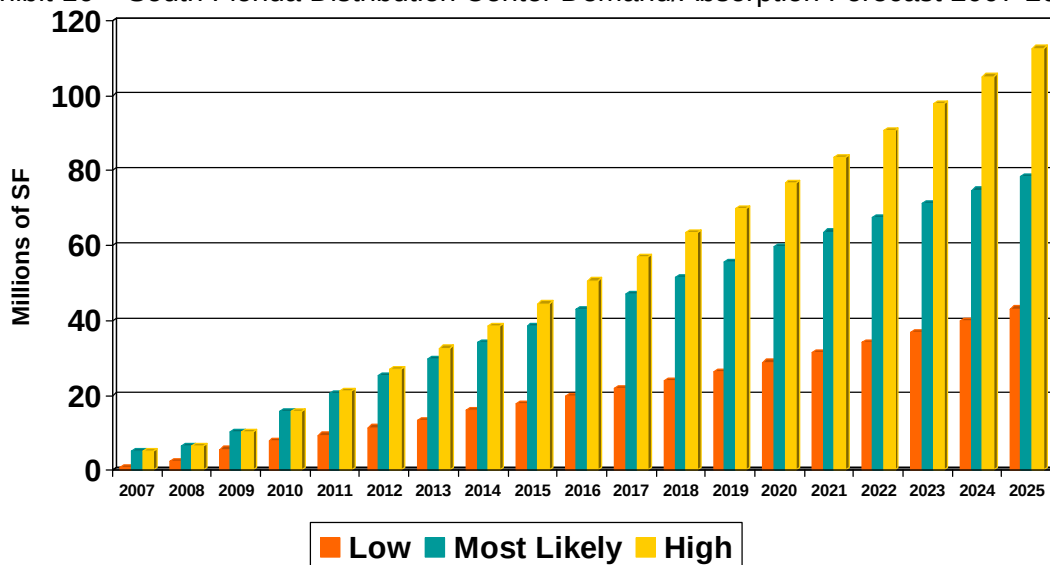


Source: Martin Associates

Based on the fact that the key target market for South Florida is the development of small to mid-size DC parcels of 50,000-300,000 sf, the effective region served would include FDOT Planning Districts 4 and 6 and potentially portions of Districts 1 and 5, depending on a case-by-case basis of the DC operator.

In 2025, the Tri-County's population is anticipated to reach 7 million, or 27.9% of the state total. The larger region of FDOT Districts 4, 6, and portions of 1 and 5, including the Treasure Coast, are expected to grow to 11.1 million people and encompass 44.3% of the state's population. By applying these percentages to the total demand forecast presented above, Exhibit 16 depicts the range of DC square footage that could potentially be absorbed in South Florida by 2025.

Exhibit 16 – South Florida Distribution Center Demand/Absorption Forecast 2007-2025



Source: Martin Associates

This analysis suggests that there is a demand of approximately 80 million square feet of retail distribution center space in South Florida through the forecast period. While the retail consumption markets associated with this square footage can be served by Central and Northern Florida DC locations, there is evidence that it can also be effectively absorbed by sites in the South Florida Tri-County area. It is apparent that over time, as Miami-Dade and Broward Counties become more densified and constrained that a progression northbound movement of development will prevail, and counties such as Palm Beach, Martin, St. Lucie and Indian River will benefit. At this time, it is difficult to speculate the amount of square footage that will be absorbed by future Palm Beach County sites as location decisions will be made on a case-by-case basis by DC operators/retailers based on current and future distribution and logistics plans. The location of these DC's will be influenced by the cost of available land and lease rates, transportation infrastructure and transportation costs to key consuming markets. The private sector developers, combined with the availability of land parcels will determine optimal site location.

3. Port of Palm Beach ILC Distribution Center Potential

With approximately 30% of the state population residing in South Florida Tri-County area, there may be potential for the development of a distribution center complex as part of an Inland Logistics Complex in Palm Beach County. Such a facility could have the potential to serve the South Florida and Treasure Coast markets of Palm Beach, Martin, St. Lucie, Broward and Miami-Dade Counties, as well as the growing region of Southwestern Florida including Hendry and Collier Counties.

The assessment of the potential market size considered two distinct markets: 1) retail and wholesale distribution to serve the South Florida market; and 2) the export consolidator market that supports the export trade to the Caribbean and Latin America served via the Port of Palm Beach, Port Everglades and the Port of Miami. Martin Associates examined the potential of new distribution centers to the region as well as the concept of consolidation of DC operators that currently operate multiple facilities throughout Florida to take advantage of economies of scale that would be found at a distribution complex.

Interviews conducted by Martin Associates with the national and regional industrial developers indicated that the cost of operating the facility ranks as the most important factor in site selection, and the more expensive lease rates and land prices in Miami-Dade, Broward and Palm Beach could act as a deterrent for development in the near-term. However, these same developers further unanimously agreed that retailers will not "turn their backs on" developing facilities in South Florida despite the relative high land prices, and that demand for industrial space still exists due to the strong consumer base.

Current NNN asking lease rates in Palm Beach are approximately \$3.00/sf more than Orlando and \$4.00/sf more than Jacksonville. Furthermore, Palm Beach County has the highest asking rate of the three South Florida Counties. This point is further underscored by the fact that Palm Beach County boasts the highest vacancy rate of all areas examined. Exhibit 13 presents the vacancy rates, asking lease rates and square footage under construction available in key consumption markets.

Figures presented in Exhibit 17 are aggregated by county-wide or city-wide averages of all parcels, and there are market rate fluctuations depending on the actual site location within the geographic parameters. Exhibit 18 details the same data by key Palm Beach County areas. It is anticipated that asking rates for industrial land in Western Palm Beach County or Martin County would most likely be less than the current Palm Beach County average, and therefore more competitive with Jacksonville, Orlando and Tampa markets however published data is not available to that level of detail at this time. Interviews were conducted with developers and appraisers to determine the potential asking rate, however due to the lack of development in the Western portion of county, a range could not be quoted.

Exhibit 17 – Comparison of Industrial Lease Rates* in Key Florida Consumption Markets

Market	Vacancy Rate Percent	Asking Lease Rate SF/YR	Under Construction SF
Palm Beach County*	6.0%	\$8.45 - NNN	633,863
Miami*	4.5%	\$8.28 - Ind. Gross	3,699,594
Broward County*	5.0%	\$8.42 - NNN	2,016,986
Tampa Bay Total	3.7%	\$7.28 - NNN	2,614,013
Orlando Total	5.7%	\$5.49 - NNN	1,313,380
Jacksonville Total	5.0%	\$4.54 - NNN	1,458,800
2007(Q3) CB Richard Ellis, MarketView Report			
* Palm Beach, Miami and Broward figures do not include flex space			

* NNN lease rates do not include operating expenses insurance and taxes which is estimated about \$2.50/sf in South Florida and \$1.50/sf in Central and Northern Florida markets

Source: CB Richard Ellis

Exhibit 18 – Palm Beach County Industrial Lease Detail by Key Area

Palm Beach County Detail*	Vacancy Rate Percent	Asking Lease Rate SF/YR - NNN	Under Construction SF
Boca Raton	2.9%	\$9.50	24,000
Delray Beach	10.7%	\$8.50	52,922
Boynton Beach/Lantana	9.2%	\$8.25	16,456
Lake Worth/Wellington	5.2%	\$7.58	0
West Palm Beach	4.1%	\$8.50	200,779
Riveria Beach	6.7%	\$7.53	136,706
Jupiter	3.4%	\$9.05	203,000
Palm Beach County Total	6.0%	\$8.45	633,863
2007(Q3) CB Richard Ellis, MarketView Report			
* Palm Beach figures do not include flex space			

Source: CB Richard Ellis

As more industrial warehouse space is absorbed in Miami-Dade and Broward counties and available parcels are depleted, the natural shift would likely move toward Palm Beach and Martin Counties to the north. One developer indicated that Broward

County is nearly “built-out” from an industrial development perspective. If “clean” industrial land is not available, the developers who typically build-to-suit for their wholesale and retail clients, must target already built-up sites and, therefore, tear down and rebuild existing infrastructure; this is much more costly and most likely financially not feasible. However it is important to note that a number of speculative buildings were constructed in St. Lucie County in anticipation of a shift in DC operations to that region. CVS located in Vero Beach and Wal*Mart constructed a facility in Fort Pierce, but few have followed.

Another key factor in determining the location of a DC is the proximity to the inland market and the transportation cost associated with moving the merchandise to the retail outlet location. It is anticipated that Port of Palm Beach, Port Everglades and Miami will compete for the cargo destined for South Florida, and JAXPORT, with the development of new Asian services coming online in 2009, will most likely control the Northern Florida market.

While portions of the Asian cargo consumed in these Florida consumption centers has historically moved via the South Florida container ports of Miami and to a lesser extent Port Everglades, much of this imported Asian cargo consumed in these regions has moved by rail from the Port of Savannah and the San Pedro Bay Ports of Los Angeles and Long Beach.

The current growth in the development of container terminals at Jacksonville by the Asian carriers such as MOL and Hanjin reflects the fact that these carriers now intend to serve the Florida markets via all water services calling at Jacksonville. Furthermore, Jacksonville can serve as a load center port to move cargo by rail westbound to such areas as Memphis, St. Louis, Columbus, and Chicago, as well as to move auto parts into the Southeastern US to serve the transplanted foreign auto manufactures that have established production facilities in this region. As express all water services are established via the Panama Canal and via the Suez Canal, the transit time to use this “reverse land-bridge” will approach the transit times to serve these same areas via the West Coast ports.

JAXPORT will most likely be in a position to serve the South Florida consumption market via the FEC Rail through direct JAXPORT ramp-to-door. Similarly northbound intermodal traffic originating in Port Everglades and Miami will move via the FEC to Jacksonville and then potentially CSX or NS to the points further north and west. The CSX Winter Haven complex could influence a connection to a Palm Beach ILC. However the necessary volumes to build intermodal trains out of South Florida ports servicing a local market. Therefore, the key competitive region is Central Florida’s I-4 Corridor, and the South Florida ports - both Port Everglades and the Port of Miami -- will compete against JAXPORT for this cargo. The lack of current global container service and container-handling facilities at the Port of Tampa currently limits Tampa’s ability to control the I-4 Corridor market, although the Port shares a significant inland transportation advantage. Plans are being considered to expand terminal container capacity at Tampa and, if adequate container facilities are developed, the Tampa could possibly become a key competitor in this market by the development of Gulf express feeder services.

Exhibit 19 illustrates the distance from key ports to key consumption centers in Florida. It is to be emphasized that Jacksonville and Palm Beach appear to be competitive in terms of serving Lakeland, Orlando and Central Florida consumption and distribution center markets. Furthermore, the Port of Jacksonville can reach into these Florida markets via the CSX and the Florida East Coast (FEC) railroads.

Exhibit 19 – Distance from Key Ports to Florida Consumption Areas
(Least Mileage Highlighted in Yellow)

DISTANCE IN MILES FROM KEY PORTS TO KEY FLORIDA MARKETS/CONSUMPTION AREAS								
	Palm Beach	Miami	PEV	Tampa	Canaveral	Jaxport	Savannah	Charleston
Miami	75	0	27	279	214	340	400	591
Melbourne	108	180	155	128	33	177	317	418
Orlando	165	228	205	84	55	141	281	382
Tampa	197	249	237	0	129	226	331	432
Sarasota	200	231	214	58	172	269	408	509
Fort Myers	131	157	140	126	198	295	435	536
Naples	152	125	107	166	239	335	475	576
Lakeland	168	220	208	33	97	194	334	435
Vero Beach	67	140	114	163	76	212	352	453
Daytona Beach	194	267	241	137	74	89	229	330

Source: PC Miler, confidential trucking company interview

In the near-term it is assumed that the Asian consumer cargo destined for the potential ILC will not move over the docks at the Port of Palm Beach, but rather via Port Everglades or Port of Miami. Without access to on-dock rail at the Port of Miami, a dray to the ILC is required. A wide range of local drayage rates from South Florida ports were obtained from interviews conducted with trucking companies and terminal operators in South Florida. For consistency and modeling purposes, Martin Associates averaged rates from seven interview sources, Martin Associates in-house trucking model and industry average cost per mile. Adjustments were also made to reflect a discount assuming a backhaul move. The resulting average drayage rates are depicted in Exhibit 20.

Exhibit 20– South Florida Drayage Rates

Estimated Local One-Way Drayage Rates	
Port of Palm Beach - ILC Destination	\$125
Port Everglades - Palm Beach ILC	\$156
Port of Miami - Palm Beach ILC	\$250
Port of Miami - Local Miami-Dade Destination	\$175

Source: Martin Associates, confidential trucking source

One way trucking rates to key consumption areas are presented in Exhibit 21. It is to be emphasized that the north-south trade imbalance significantly varies rates depending on the direction - southbound rates are priced as a head haul move, while the northbound return is the backhaul rate. For example, a container moving from Orlando to Palm Beach would be priced at \$632; a loaded northbound rate from Palm Beach to Orlando is estimated at \$387.

Exhibit 21 - Trucking Rates* to Selected Consumption Markets

Trucking Rates			Northbound	Southbound
Origin	Destination	Miles	Rate	Rate
West Palm Beach	Jacksonville	277	\$355	\$877
	Ocala	233	\$516	\$774
	Orlando	165	\$387	\$632
	Tampa	197	\$452	\$710
	Lakeland	168	\$387	\$632
	Ft. Myers	129	\$548	\$548
	Ft. Pierce	56	\$387	\$387
Fort Lauderdale	Jacksonville	317	\$387	\$955
	Ocala	273	\$516	\$877
	Orlando	205	\$387	\$729
	Tampa	237	\$452	\$793
	Lakeland	208	\$387	\$729
	Ft. Myers	134	\$568	\$568
	Ft. Pierce	97	\$484	\$484
Miami	Jacksonville	340	\$452	\$1,019
	Ocala	296	\$548	\$897
	Orlando	228	\$419	\$774
	Tampa	249	\$484	\$813
	Lakeland	220	\$419	\$748
	Ft. Myers	146	\$587	\$587
	Ft. Pierce	121	\$548	\$548
Jacksonville	Lakeland	194	\$475	\$691
	Tampa	226	\$510	\$766
	Orlando	141	\$450	\$566
	Palm Beach	277	\$355	\$877
	Fort Lauderdale	317	\$387	\$955
	Miami	340	\$452	\$1,019

Source: confidential trucking company interview

*Rates are based on one-way trips including a 29% fuel surcharge.

In order for the Port of Palm Beach ILC to be a success, the drayage, loading and any additional gate charges would need to be minimized. Interviews with the shippers and terminal operators indicated the additional cost of a move to an inland location is of paramount concern. As noted, this dray is estimated at about \$250 from the Port of Miami. Once the container is broken down and reloaded onto a domestic van for ultimate delivery to retail centers, the truck will need to return southbound to serve the South Florida retail outlets, adding additional costs to serve these markets, as trucking costs are essentially doubled – from the South Florida port of entry to a distribution center and the from the distribution center back to the South Florida retail consumer.

Developers indicate that the South Florida market, with respect to the import retail distribution market, attract accounts in the range of 50,000-300,000 sf. The developers maintain that the larger 1 million-plus facilities will continue to develop in Central and Northern Florida to take advantage of less expensive land costs/lease rates and access from the Port of Jacksonville. Large retailers/wholesalers are more likely to

use a South Florida location for “satellite” DC development, which is in the 50,000-300,000 sf range. Competitive sites are also being developed in Palm Beach, Martin and St. Lucie counties.

In addition to the lease and inland transportation costs previously described, the developers and DC operators interviewed also cite that labor availability is a key factor in site selection. The rural environment of the Western Palm Beach County may present a challenge to potential operators in terms of a labor pool. It is necessary for state and local agencies, such as the Palm Beach Economic Development Office, Business Development Board, Economic Council of Palm Beach County and South Florida Regional Business Alliance to work in conjunction with the Port of Palm Beach and developers to ensure that programs and incentives are in place to maintain a qualified labor pool to perspective tenants.

In terms of exports, Port of Palm Beach, Port Everglades and Port of Miami also compete for the export market that serves Latin America and the Caribbean. The South Florida ports have been (and will continue to be) successful due to the large Latin American business community in South Florida. Interviews were conducted with Latin American carriers, freight consolidators and terminal operators to investigate the potential to relocate or expand operations at the proposed Palm Beach ILC.

Interviews were also conducted with cold storage operators to determine the need for additional cold storage capacity in the county. The Port of Palm Beach’s primary cold storage operator, Port of Palm Beach Cold Storage currently operates about 100,000 square feet of space which includes refrigerated cargo handled by Tropical Shipping and Princess Cruise Lines. While utilization of the current facility may indicate the need for additional storage, the operator leases additional property at the Port of Palm Beach that can be made available for an expansion of 50,000-75,000 sf in the near-term. Also, a large retail grocery chain indicates that the majority of the investment in Broward and Miami-Dade counties is off of the I-75 corridor in an effort to serve east-west markets. While there appears to be a need from time to time for additional capacity in Palm Beach County, there needs to be a steady user driving the investment of a new facility. The current trend from an industry perspective as a whole is to develop “reefer drop yards” typically 300,000 sf facilities that can serve numerous end users.

The close-knit community of suppliers to the Caribbean and Latin America are strongly rooted in Miami-Dade County, and relocation to Palm Beach County does not appear feasible. The key concern of the consolidators is the additional trucking cost and additional lead time that would be incurred if operations were relocated to the north. Also, many of these consolidators also handle air freight, so proximity to the Miami International Airport (MIA) in areas such as Medley is critical. This is evidenced by the fact that Eagle Global Logistics is developing a facility near MIA. However in the longer term, increased cargo volumes may create space constraints in Miami-Dade and Broward counties and alternatives may need to be re-examined.

With respect to air freight, the relocation of air cargo related services from MIA to a Port of Palm Beach ILC are not feasible due to the fact that successful all-cargo airports are anchored by integrated carriers such as FEDEX, UPS or DHL. The North American markets for these integrators are in a mature stage as the hub-and-spoke operations have been developed over decades. Furthermore, Fort Worth Alliance

International Airport in Texas, probably the most successful all-cargo facility in the US, has not been able to attract cargo away from Dallas-Fort Worth International Airport (DFW).

4. Distribution Center Location Sensitivity Analysis

Due to the fact that lease rate comparables are not currently available for rural Western Palm Beach County, Martin Associates developed a sensitivity analysis that will identify lease rates needed to compete with other key distribution center locations to serve key Florida markets. The sensitivity analysis factors into account and allows for changes in variables and key decision making factors such as Florida port of entry, location of DC, size/square footage of facility, port to DC/ILC drayage costs, lease rates, operating costs, potential gate charges and storage/demurrage fees, and final transportation costs to deliver to ultimate consumption markets.

Sensitivity model assumptions are based on data collected from interviews with current Florida DC operators, industrial and commercial developers, published CB Richard Ellis asking lease rates, interviews with Florida terminal operators and commercial trucking companies. In addition, certain industry and Martin Associate in-house assumptions were used.

Data assumptions used in the model include the following:

- 1,000,000 SF of DC space generates 75 loads in/75 loads out per day;
- 500,000 SF of DC space generates 40 loads in/40 loads out per day;
- 250,000 SF of DC space generates 25 loads in/25 loads out per day;
- DC operations are based on 312 operating days per year;
- South Florida NNN lease rates identified by CB Richard Ellis are combined with a \$2.50/SF operating cost where applicable;
- Central and Northern Florida NNN lease rates are combined with a \$1.50/SF operating cost where applicable;
- Truck rates include a 29% fuel surcharge;
- Truck drays and inland moves assume backhaul;
- Headhaul/backhaul rates assume total round trip with discount divided by two to simulate a more balanced north-south trade;
- Port charges are equalized; and
- Lease rates needed are based on competing with the lowest cost routing identified.

The analysis focused on cargo imported through Florida ports, specifically the Port of Palm Beach, Miami, Port Everglades and JAXPORT. The analysis examined the least cost truck routing to serve eight key consumption markets in Florida, including Miami, Fort Lauderdale, Fort Myers, Fort Pierce, Orlando/Lakeland, Tampa, Ocala/Gainesville and Jacksonville. Separate model runs were completed for 1,000,000, 500,000 and 250,000 square foot facilities.

The complete sensitivity matrices are located in Appendix B, while summaries of the sensitivity model are presented in the following Exhibits 22A, 22B and 22C. The summary includes the port of entry, location of the DC/ILC and the gross industrial lease rate needed to compete for the market identified. Negative numbers reflect that the market is not competitive due to high transportation cost that would result in a negative

lease rate. The highlighted yellow column represents the least cost routing to serve that market. While it is not anticipated that the Port of Palm Beach would handle this cargo, a column representing a Port of Palm Beach port of entry and Port of Palm ILC is examined for comparative purposes. Moreover, while it has not been determined by the Port of Palm Beach, the summary analysis also presents for comparative purposes the gross lease rate needed if a one-way gate charge of \$50 was applied.

**Exhibit 22A – Port of Palm Beach ILC Gross Lease Rate Needed
To Compete Against Least Cost Routing for DC of 1,000,000 SF**

Estimated Cost to Serve Miami Retail Consumption Market:					
Port of Entry	Palm Beach	Miami	Port Everglades	Jacksonville	Miami
Location of DC	Palm Beach ILC	Palm Beach ILC	Palm Beach ILC	Palm Beach ILC	Miami
Gross Lease Rate/SF Needed	\$7.70	\$4.77	\$6.97	(\$0.92)	\$8.28
Gross Lease Rate/SF Needed w/\$50 ILC Gate Charge Asses	\$6.53	\$3.60	\$5.80	(\$2.09)	
Estimated Cost to Serve Fort Lauderdale Retail Consumption Market:					
Port of Entry	Palm Beach	Miami	Port Everglades	Jacksonville	Miami
Location of DC	Palm Beach ILC	Palm Beach ILC	Palm Beach ILC	Palm Beach ILC	Miami
Gross Lease Rate/SF Needed	\$9.89	\$6.97	\$9.17	\$1.28	\$8.28
Gross Lease Rate/SF Needed w/\$50 ILC Gate Charge Asses	\$8.72	\$5.80	\$8.00	\$0.11	
Estimated Cost to Serve Fort Myers Retail Consumption Market:					
Port of Entry	Palm Beach	Miami	Port Everglades	Jacksonville	Jacksonville
Location of DC	Palm Beach ILC	Palm Beach ILC	Palm Beach ILC	Palm Beach ILC	Jacksonville
Gross Lease Rate/SF Needed	\$10.14	\$7.21	\$9.41	\$1.52	\$6.04
Gross Lease Rate/SF Needed w/\$50 ILC Gate Charge Asses	\$8.97	\$6.04	\$8.24	\$0.35	
Estimated Cost to Serve Fort Pierce Retail Consumption Market:					
Port of Entry	Palm Beach	Miami	Port Everglades	Jacksonville	Jacksonville
Location of DC	Palm Beach ILC	Palm Beach ILC	Palm Beach ILC	Palm Beach ILC	Jacksonville
Gross Lease Rate/SF Needed	\$9.55	\$6.63	\$8.82	\$0.94	\$6.04
Gross Lease Rate/SF Needed w/\$50 ILC Gate Charge Asses	\$8.38	\$5.46	\$7.65	(\$0.23)	
Estimated Cost to Serve Orlando/Lakeland Retail Consumption Market:					
Port of Entry	Palm Beach	Miami	Port Everglades	Jacksonville	Jacksonville
Location of DC	Palm Beach ILC	Palm Beach ILC	Palm Beach ILC	Palm Beach ILC	Jacksonville
Gross Lease Rate/SF Needed	\$5.99	\$3.07	\$5.27	(\$2.62)	\$6.04
Gross Lease Rate/SF Needed w/\$50 ILC Gate Charge Asses	\$4.82	\$1.90	\$4.10	(\$3.79)	
Estimated Cost to Serve Tampa Retail Consumption Market:					
Port of Entry	Palm Beach	Miami	Port Everglades	Jacksonville	Jacksonville
Location of DC	Palm Beach ILC	Palm Beach ILC	Palm Beach ILC	Palm Beach ILC	Jacksonville
Gross Lease Rate/SF Needed	\$7.12	\$4.19	\$6.39	(\$1.49)	\$6.04
Gross Lease Rate/SF Needed w/\$50 ILC Gate Charge Asses	\$5.95	\$3.02	\$5.22	(\$2.66)	
Estimated Cost to Serve Ocala/Gainesville Retail Consumption Market:					
Port of Entry	Palm Beach	Miami	Port Everglades	Jacksonville	Jacksonville
Location of DC	Palm Beach ILC	Palm Beach ILC	Palm Beach ILC	Palm Beach ILC	Jacksonville
Gross Lease Rate/SF Needed	\$2.62	(\$0.30)	\$1.90	(\$5.99)	\$6.04
Gross Lease Rate/SF Needed w/\$50 ILC Gate Charge Asses	\$1.45	(\$1.47)	\$0.73	(\$7.16)	
Estimated Cost to Serve Jacksonville Retail Consumption Market:					
Port of Entry	Palm Beach	Miami	Port Everglades	Jacksonville	Jacksonville
Location of DC	Palm Beach ILC	Palm Beach ILC	Palm Beach ILC	Palm Beach ILC	Jacksonville
Gross Lease Rate/SF Needed	(\$2.57)	(\$5.50)	(\$3.30)	(\$11.18)	\$6.04
Gross Lease Rate/SF Needed w/\$50 ILC Gate Charge Asses	(\$3.74)	(\$6.67)	(\$4.47)	(\$12.35)	

**Exhibit 22B – Port of Palm Beach ILC Gross Lease Rate Needed
To Compete Against Least Cost Routing for DC of 500,000 SF**

Estimated Cost to Serve Miami Retail Consumption Market:					
Port of Entry	Palm Beach	Miami	Port Everglades	Jacksonville	Miami
Location of DC	Palm Beach ILC	Palm Beach ILC	Palm Beach ILC	Palm Beach ILC	Miami
Gross Lease Rate/SF Needed	\$7.66	\$4.54	\$6.88	(\$1.53)	\$8.28
Gross Lease Rate/SF Needed w/\$50 ILC Gate Charge Asses	\$6.41	\$3.29	\$5.63	(\$2.78)	
Estimated Cost to Serve Fort Lauderdale Retail Consumption Market:					
Port of Entry	Palm Beach	Miami	Port Everglades	Jacksonville	Miami
Location of DC	Palm Beach ILC	Palm Beach ILC	Palm Beach ILC	Palm Beach ILC	Miami
Gross Lease Rate/SF Needed	\$10.00	\$6.88	\$9.23	\$0.82	\$8.28
Gross Lease Rate/SF Needed w/\$50 ILC Gate Charge Asses	\$8.75	\$5.63	\$7.98	(\$0.43)	
Estimated Cost to Serve Fort Myers Retail Consumption Market:					
Port of Entry	Palm Beach	Miami	Port Everglades	Jacksonville	Miami
Location of DC	Palm Beach ILC	Palm Beach ILC	Palm Beach ILC	Palm Beach ILC	Miami
Gross Lease Rate/SF Needed	\$10.30	\$7.18	\$9.53	\$1.12	\$8.28
Gross Lease Rate/SF Needed w/\$50 ILC Gate Charge Asses	\$9.05	\$5.93	\$8.28	(\$0.13)	
Estimated Cost to Serve Fort Pierce Retail Consumption Market:					
Port of Entry	Palm Beach	Miami	Port Everglades	Jacksonville	Jacksonville
Location of DC	Palm Beach ILC	Palm Beach ILC	Palm Beach ILC	Palm Beach ILC	Jacksonville
Gross Lease Rate/SF Needed	\$9.78	\$6.66	\$9.01	\$0.60	\$6.04
Gross Lease Rate/SF Needed w/\$50 ILC Gate Charge Asses	\$8.54	\$5.42	\$7.76	(\$0.65)	
Estimated Cost to Serve Orlando/Lakeland Retail Consumption Market:					
Port of Entry	Palm Beach	Miami	Port Everglades	Jacksonville	Jacksonville
Location of DC	Palm Beach ILC	Palm Beach ILC	Palm Beach ILC	Palm Beach ILC	Orlando
Gross Lease Rate/SF Needed	\$5.99	\$2.87	\$5.22	(\$3.20)	\$5.42
Gross Lease Rate/SF Needed w/\$50 ILC Gate Charge Asses	\$4.74	\$1.62	\$3.97	(\$4.44)	
Estimated Cost to Serve Tampa Retail Consumption Market:					
Port of Entry	Palm Beach	Miami	Port Everglades	Jacksonville	Jacksonville
Location of DC	Palm Beach ILC	Palm Beach ILC	Palm Beach ILC	Palm Beach ILC	Jacksonville
Gross Lease Rate/SF Needed	\$7.19	\$4.07	\$6.41	(\$2.00)	\$6.04
Gross Lease Rate/SF Needed w/\$50 ILC Gate Charge Asses	\$5.94	\$2.82	\$5.17	(\$3.25)	
Estimated Cost to Serve Ocala/Gainesville Retail Consumption Market:					
Port of Entry	Palm Beach	Miami	Port Everglades	Jacksonville	Jacksonville
Location of DC	Palm Beach ILC	Palm Beach ILC	Palm Beach ILC	Palm Beach ILC	Jacksonville
Gross Lease Rate/SF Needed	\$2.40	(\$0.72)	\$1.62	(\$6.79)	\$6.04
Gross Lease Rate/SF Needed w/\$50 ILC Gate Charge Asses	\$1.15	(\$1.97)	\$0.37	(\$8.04)	
Estimated Cost to Serve Jacksonville Retail Consumption Market:					
Port of Entry	Palm Beach	Miami	Port Everglades	Jacksonville	Jacksonville
Location of DC	Palm Beach ILC	Palm Beach ILC	Palm Beach ILC	Palm Beach ILC	Jacksonville
Gross Lease Rate/SF Needed	(\$3.15)	(\$6.27)	(\$3.92)	(\$12.33)	\$6.04
Gross Lease Rate/SF Needed w/\$50 ILC Gate Charge Asses	(\$4.39)	(\$7.51)	(\$5.17)	(\$13.58)	

**Exhibit 22C – Port of Palm Beach ILC Gross Lease Rate Needed
To Compete Against a Least Cost Routing for DC of 250,000 SF**

Estimated Cost to Serve Miami Retail Consumption Market:					
Port of Entry	Palm Beach	Miami	Port Everglades	Jacksonville	Miami
Location of DC	Palm Beach ILC	Palm Beach ILC	Palm Beach ILC	Palm Beach ILC	Miami
Gross Lease Rate/SF Needed	\$7.50	\$3.60	\$6.53	(\$3.98)	\$8.28
Gross Lease Rate/SF Needed w/\$50 ILC Gate Charge Assess	\$5.94	\$2.04	\$4.97	(\$5.54)	
Estimated Cost to Serve Fort Lauderdale Retail Consumption Market:					
Port of Entry	Palm Beach	Miami	Port Everglades	Jacksonville	Miami
Location of DC	Palm Beach ILC	Palm Beach ILC	Palm Beach ILC	Palm Beach ILC	Miami
Gross Lease Rate/SF Needed	\$10.43	\$6.53	\$9.47	(\$1.05)	\$8.28
Gross Lease Rate/SF Needed w/\$50 ILC Gate Charge Assess	\$8.87	\$4.97	\$7.91	(\$2.61)	
Estimated Cost to Serve Fort Myers Retail Consumption Market:					
Port of Entry	Palm Beach	Miami	Port Everglades	Jacksonville	Miami
Location of DC	Palm Beach ILC	Palm Beach ILC	Palm Beach ILC	Palm Beach ILC	Miami
Gross Lease Rate/SF Needed	\$10.81	\$6.91	\$9.84	(\$0.67)	\$8.28
Gross Lease Rate/SF Needed w/\$50 ILC Gate Charge Assess	\$9.25	\$5.35	\$8.28	(\$2.23)	
Estimated Cost to Serve Fort Pierce Retail Consumption Market:					
Port of Entry	Palm Beach	Miami	Port Everglades	Jacksonville	Jacksonville
Location of DC	Palm Beach ILC	Palm Beach ILC	Palm Beach ILC	Palm Beach ILC	Jacksonville
Gross Lease Rate/SF Needed	\$10.72	\$6.82	\$9.75	(\$0.76)	\$6.04
Gross Lease Rate/SF Needed w/\$50 ILC Gate Charge Assess	\$9.16	\$5.26	\$8.19	(\$2.32)	
Estimated Cost to Serve Orlando/Lakeland Retail Consumption Market:					
Port of Entry	Palm Beach	Miami	Port Everglades	Jacksonville	Jacksonville
Location of DC	Palm Beach ILC	Palm Beach ILC	Palm Beach ILC	Palm Beach ILC	Orlando
Gross Lease Rate/SF Needed	\$5.98	\$2.08	\$5.01	(\$5.50)	\$5.26
Gross Lease Rate/SF Needed w/\$50 ILC Gate Charge Assess	\$4.42	\$0.52	\$3.45	(\$7.06)	
Estimated Cost to Serve Tampa Retail Consumption Market:					
Port of Entry	Palm Beach	Miami	Port Everglades	Jacksonville	Jacksonville
Location of DC	Palm Beach ILC	Palm Beach ILC	Palm Beach ILC	Palm Beach ILC	Jacksonville
Gross Lease Rate/SF Needed	\$7.48	\$3.58	\$6.51	(\$4.01)	\$6.04
Gross Lease Rate/SF Needed w/\$50 ILC Gate Charge Assess	\$5.92	\$2.02	\$4.95	(\$5.57)	
Estimated Cost to Serve Ocala/Gainesville Retail Consumption Market:					
Port of Entry	Palm Beach	Miami	Port Everglades	Jacksonville	Jacksonville
Location of DC	Palm Beach ILC	Palm Beach ILC	Palm Beach ILC	Palm Beach ILC	Jacksonville
Gross Lease Rate/SF Needed	\$1.48	(\$2.42)	\$0.52	(\$10.00)	\$6.04
Gross Lease Rate/SF Needed w/\$50 ILC Gate Charge Assess	(\$0.08)	(\$3.98)	(\$1.04)	(\$11.56)	
Estimated Cost to Serve Jacksonville Retail Consumption Market:					
Port of Entry	Palm Beach	Miami	Port Everglades	Jacksonville	Jacksonville
Location of DC	Palm Beach ILC	Palm Beach ILC	Palm Beach ILC	Palm Beach ILC	Jacksonville
Gross Lease Rate/SF Needed	(\$5.44)	(\$9.34)	(\$6.41)	(\$16.92)	\$6.04
Gross Lease Rate/SF Needed w/\$50 ILC Gate Charge Assess	(\$7.00)	(\$10.90)	(\$7.97)	(\$18.48)	

As shown in these previous exhibits, the greater the asking rate needed the greater the potential for a Palm Beach ILC facility to compete for a specific market. It appears a Port of Palm Beach ILC could effectively compete in the Fort Lauderdale, Fort Myers and Fort Pierce retail consumption markets. Since it is assumed that the Port of Palm Beach will not participate in the Asian import trade, at least in the near-term, the best case scenario to compete in these markets would be for a Port Everglades port of entry.

The analysis suggests that a Port of Palm Beach ILC would not be as competitive to serve the Miami consumption market. The limiting factor is the fact that a dray from the port of entry – either Port Everglades or Port of Miami to the ILC and a return move back into the Miami retail market essentially doubles the inland rate.

To compete in the Orlando/Lakeland and Tampa markets, an asking lease rate would need to be in the range of \$6.00-\$7.50. This rate is less than current asking rates in South Florida and may be more of a challenge to attain at a Palm Beach ILC. The sensitivity analysis also suggests that a Port of Palm Beach ILC would not be competitive in the Ocala/Gainesville and Jacksonville markets.

Exhibit 23 illustrates a summary of asking rates needed by key consumption area while Exhibits 24A, 24B and 24C present the maximum gross asking lease rates for potential market penetration of a Port of Palm Beach ILC.

Exhibit 23 – Summary of Gross Lease Rates Needed at a Palm Beach ILC to Match the Least Cost Truck Routing to Selected Florida Markets

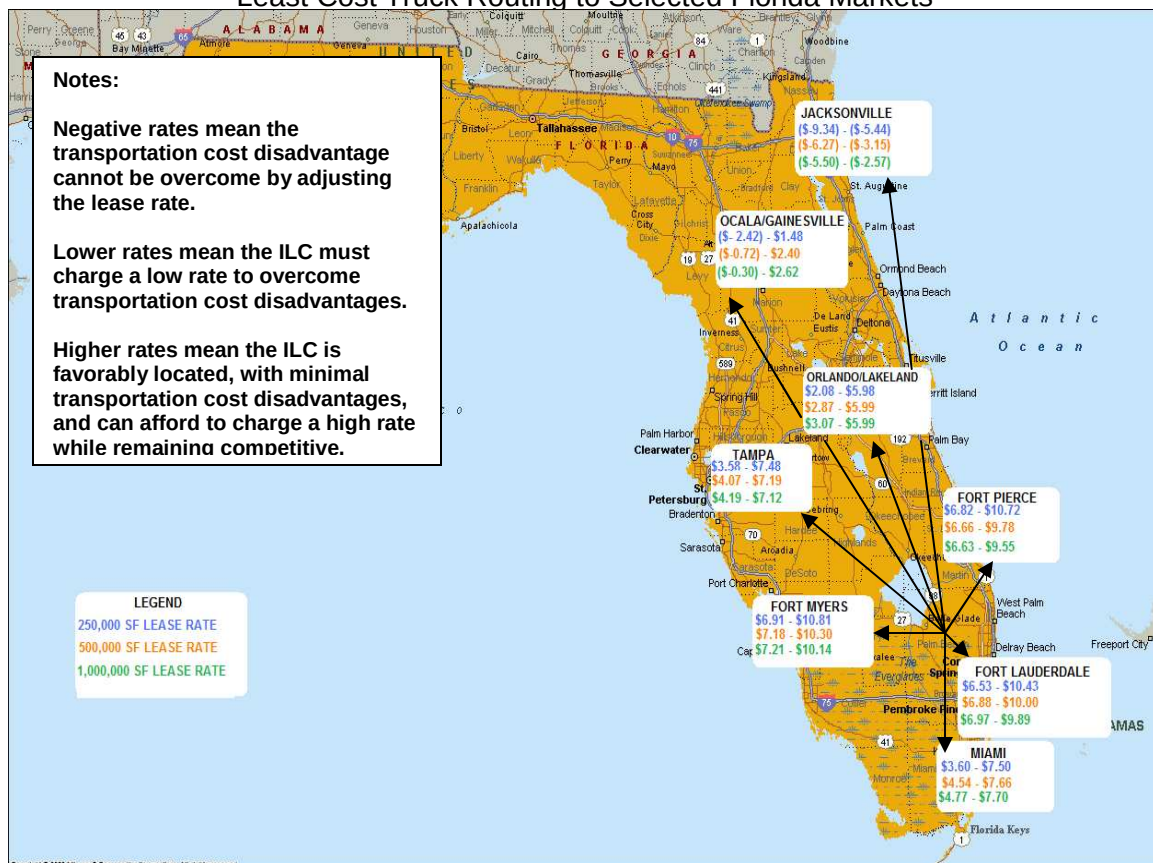


Exhibit 24A – Potential Market Penetration by Maximum Gross Asking Lease Rate
Port of Palm Beach Port of Entry 250,000 SF Distribution Center

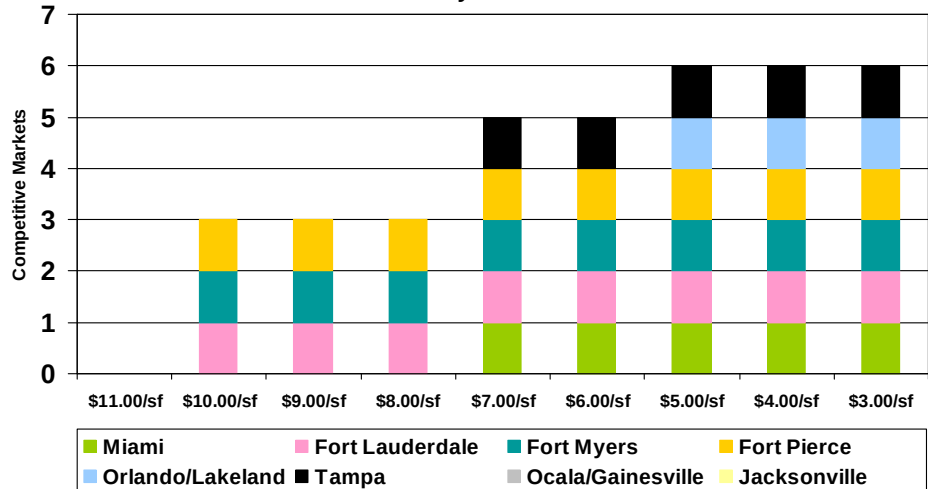


Exhibit 24B – Potential Market Penetration by Maximum Gross Asking Lease Rate
Port Everglades Port of Entry 250,000 SF Distribution Center

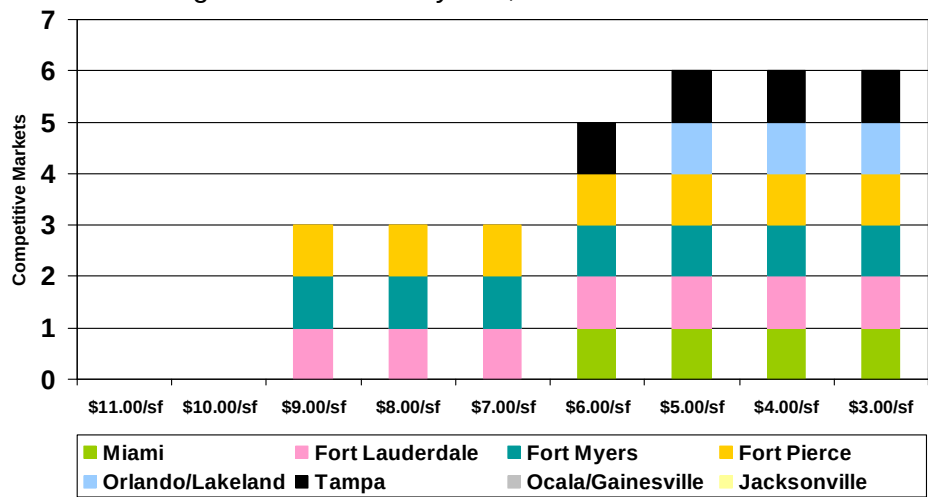
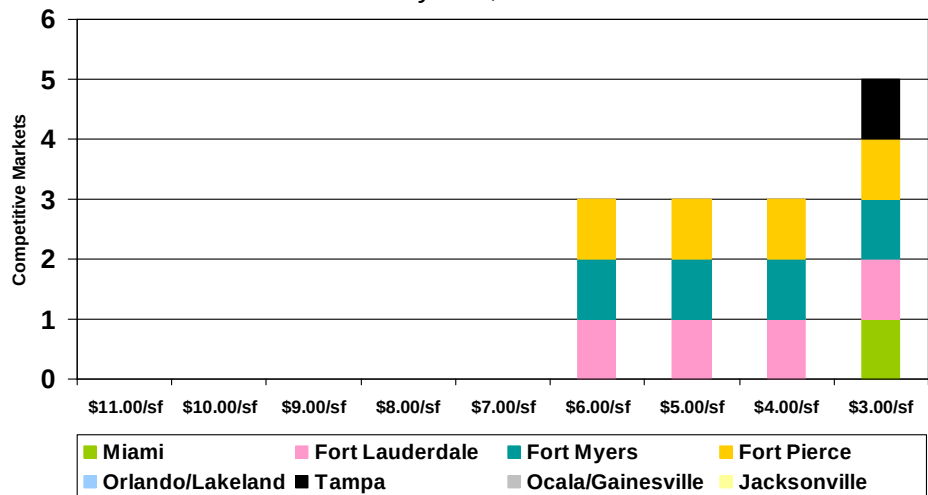


Exhibit 24C – Potential Market Penetration by Maximum Gross Asking Lease Rate
Port of Miami Port of Entry 250,000 SF Distribution Center



Exhibits 24A, B and C identify the potential market penetration thresholds for a Port of Palm Beach ILC to compete with the current least cost routing to key markets. The markets of greatest potential to be served from a Palm Beach ILC include Fort Lauderdale, Fort Myers and Fort Pierce. While it appears that a Port of Palm Beach port of entry (26A) offers the most advantageous market penetration rates, it must again be emphasized that the Port of Palm Beach will not be a key player in this import market, at least in the near-term. Therefore, Port Everglades becomes the most suitable pairing to the Palm Beach ILC. The Port of Miami to Palm Beach ILC relationship is strained due to higher drayage rates. It should be noted that if drayage rates between all Tri-County points were stabilized and more uniform, the Port of Miami would become more of a suitable pairing for the Palm Beach ILC.

This lease rate analysis provides the base framework to use in a cash flow analysis to test the cost of development versus rate of return for building industrial distribution space in Palm Beach County. While lease rates in the western portion of Palm Beach County will be less expensive than current coastal parcels, the cost of construction will need to be determined prior to establishing a base asking rate.

With respect to intermodal routings, a separate limited sensitivity analysis was conducted and is presented in Appendix B. The imbalance of north-south trade creates similar rate structure pricing akin to the trucking rates described in the previous section. Confidential contracted rates are typically negotiated between the carrier and customer, and while these detailed contract rates were not disclosed by the parties, Martin Associates was able to attain rate estimates to develop a "southbound" sensitivity analysis to be used as an order of magnitude comparison to the identified truck market. Sources indicate that a southbound rate from the Jacksonville FEC ramp to a Miami-Dade or Broward County distribution center rate is estimated at \$650, including the current FEC fuel surcharge of 29.5%. To serve the Miami retail consumption market, the \$650 intermodal rate would be combined with the local dray of \$175 for a total of \$825. In comparison, a ramp to ramp intermodal rate (including fuel surcharge) from Jacksonville to a Palm Beach County ILC is estimated at \$325. After adding in the estimated drayage (\$250) from the ILC to serve the Miami market, the final delivery to a consumption point is approximately \$575. These rates are both less than the one-way southbound truck rate of \$1019 as shown in previous Exhibit 21.

However, the range in size of the potential DC's that would locate at the Palm Beach ILC support a market that would efficiently be served via truck. Furthermore, the current key users of the intermodal services at South Florida ports include regional carriers such as Tropical Shipping, Crowley Liner Services and Seaboard Marine that do not participate in the Asian import market and have noted that an ILC operation would most likely not benefit their business. Therefore, it appears that intermodal capability will not be the driving factor in the development of the potential ILC market. The benefit may come to fruition in the longer-term where significant volumes are built up to support intermodal train service.

IV. Bulk and Breakbulk Market Assessment

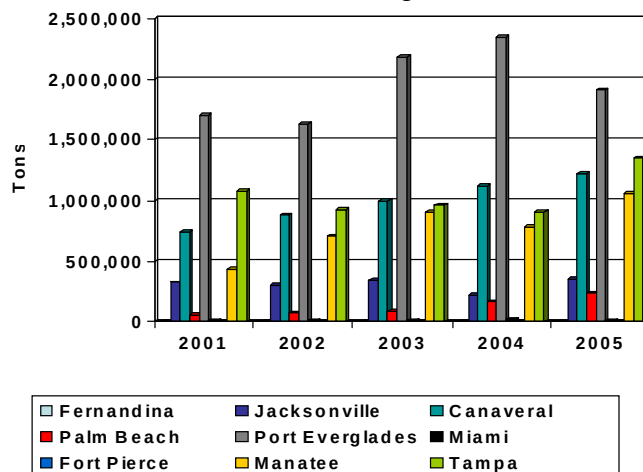
The conceptual Palm Beach ILC would not only facilitate consumer retail and wholesale distribution, but also potentially facilitate the movement and storage of bulk and breakbulk materials, in particular construction bulks such as cement and aggregate as well as other materials such as lumber. The following analysis focuses on such material and their forecasted demand for the South and Central Florida Regions.

1. Historical Market Conditions

1.1 Aggregate and Cement Activity

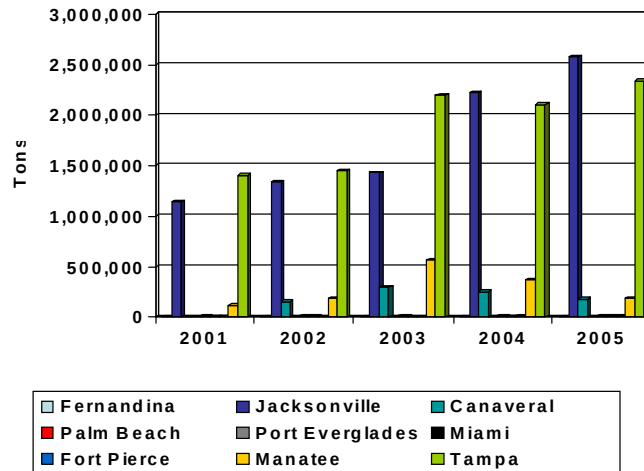
The Florida market for aggregates and cement is primarily to serve the construction projects within the state. The cement and aggregate used throughout the state is sourced domestically as well as internationally through Florida's ports. In recent years, cement production in Florida has maintained levels of 4-5 million tons per year, and has averaged about a 3.5% growth rate over the past decade. Port Everglades has historically been the key player in the Florida market in terms of imports. Over recent years, however, Canaveral, Manatee and Tampa have gained market share. With respect to waterborne aggregates, Tampa and Jacksonville have been the principle ports used. Over the 2001 to 2005 period, cement tonnage grew by 9% while aggregates grew by 18.4%. This significant growth is attributed to the boom in construction during the period. However, the weak economic conditions over the past year have hampered construction activity, and future imports remain uncertain in the near term. Exhibits 25 and 26 illustrate the historical tonnages handled by the Florida ports for both cement and aggregate material.

Exhibit 25 - Historical Cement Tonnage Handled at Florida Ports



Source: Waterborne Commerce Statistics

Exhibit 26 - Historical Aggregate Tonnage Handled at Florida Ports

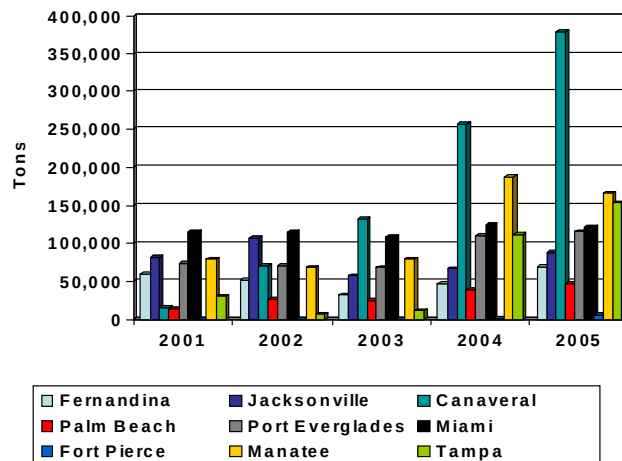


Source: Waterborne Commerce Statistics

1.2 Breakbulk Lumber and Steel Activity

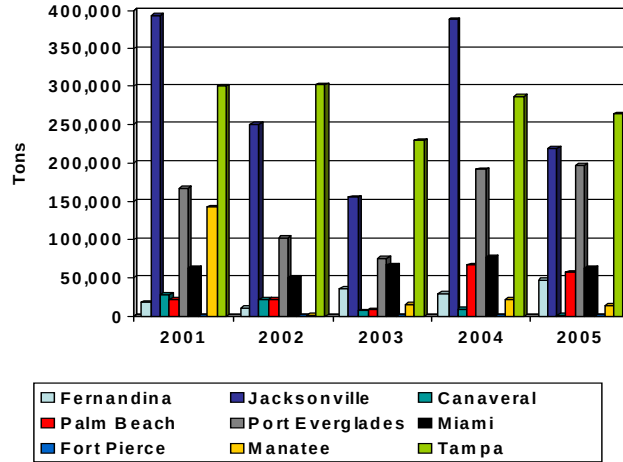
Breakbulk cargoes of interest to the development of the Palm Beach ILC include lumber and steel. These import markets are also primarily tied to the state's construction activity. Lumber and steel shipments are typically smaller in terms of tonnage and tend to be more sporadic in nature. This is exemplified in Exhibit 27 which shows dramatic swings from year to year for individual ports. From 2001 through 2005, lumber grew by 25% per annum. This is largely due to the increase in shipments through Canaveral. Conversely, the import steel market was significantly affected by the Section 201 sanctions imposed on certain steel imported products in 2001-2003 period, and therefore only grew by 0.94% per year over the 5-year period as shown in Exhibit 28. Economic conditions in Caribbean and Latin American nations, as well as hurricane rebuilding efforts also contribute to the sporadic nature of these markets. The import market for lumber and steel again tend to serve a local market, and therefore particular attention should be paid to Port Everglades and Miami in terms of ILC potential.

Exhibit 27 - Waterborne Lumber Tonnage Handled at Florida Ports



Source: Waterborne Commerce Statistics

Exhibit 28 - Waterborne Steel Tonnage Handled at Florida Ports

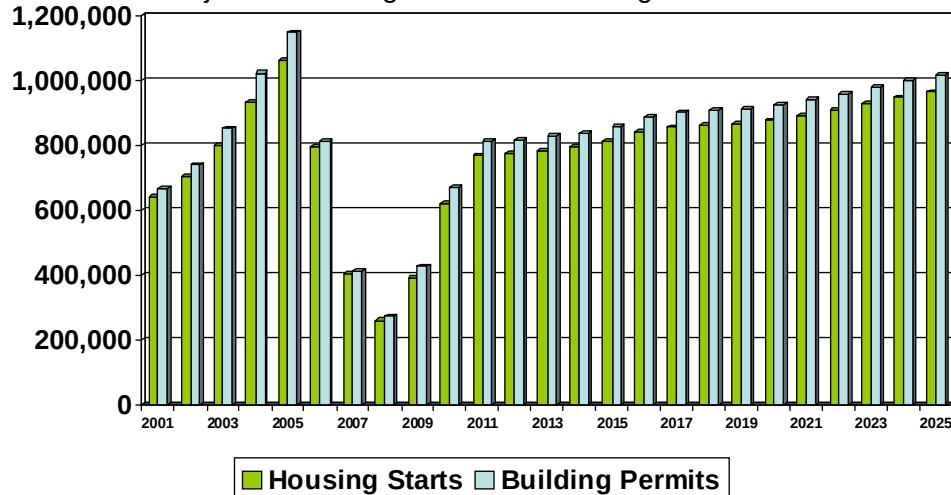


Source: Waterborne Commerce Statistics

2. Bulk and Breakbulk Market Outlook and Forecast

The Florida construction market will dictate the demand for the bulk aggregates, cement, lumber and steel handled at the Florida ports. Construction activity is off right now due to the weakened economy; however it is expected to rebound as shown in Exhibit 29. This exhibit presents the historical and forecasted demand for housing starts as well as building permits in Florida. Once the market stabilizes in 2011, the expected annual growth rate through 2025 is 1.62%.

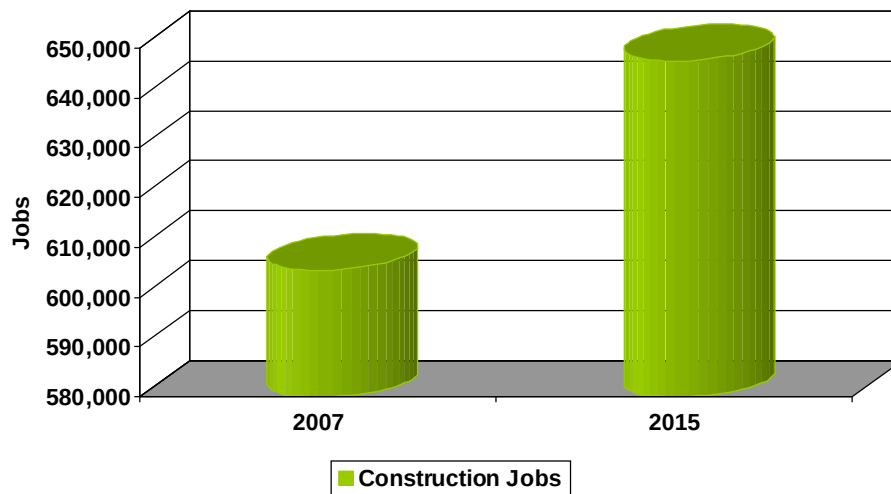
Exhibit 29 - Projected Housing Starts and Building Permits Issued in Florida



Source: Moody's, economy.com

Similarly, in the short-medium term Florida Construction jobs are expected to grow at a paltry 0.84% while the construction market recovers. Exhibit 30 illustrates the expected increase in Florida construction jobs.

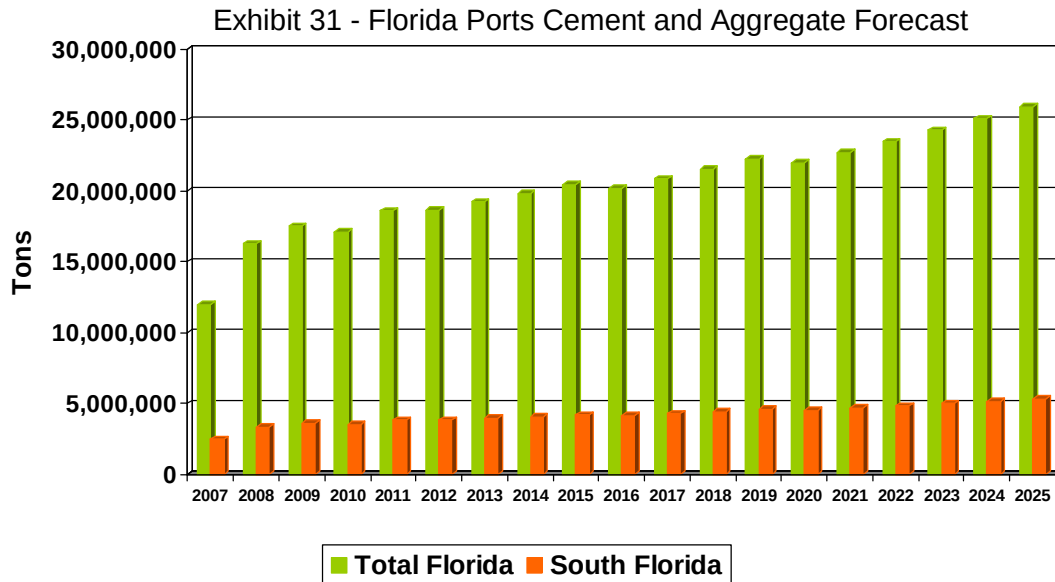
Exhibit 30 - Projected Construction Jobs in Florida



Source: Labor Market Information

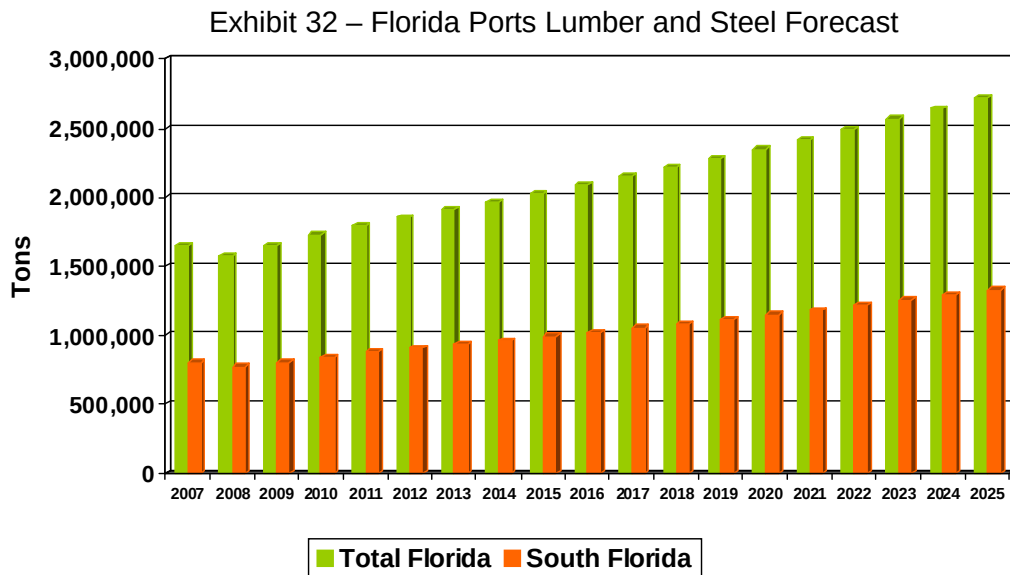
The second factor that will impact the import bulk market is the July, 2007 Miami federal judge's ruling closing aggregate mines in the Lake Belt Region. The ruling forced the immediate closure of approximately 35% of the Lake Belt production. The State of Florida consumes approximately 150 million tons of aggregate annually. Of this, approximately 55 million tons are mined in the Lake Belt region resulting in a loss of 19 million tons of domestic supply annually. In order to make up the 19 million ton deficit, international and barge shipments as well as rail shipments will be required. At the time of this report, four other aggregate mines in South Florida (including Florida Rock Industries, Rinker Materials and Bergeron Sand, Rock and Aggregate) are seeking approval to obtain active mining status. While it is difficult to forecast the volumes due to the uncertainty of the timeframe of the approval process, anticipated volumes that will be mined immediately versus those that are kept for long-term reserves and current weak economic and industry conditions, these potential mining sites are factored into the forecast assumptions.

The most likely scenario will require that the inbound vessel and barge shipments will be discharged at the ports nearest to the key construction activity. Based on historical data, Jacksonville and Tampa will receive the majority of the waterborne cargo (as well as panhandle ports such as Mobile) to serve their respective regions. Based on harbor and terminal amenities, Port Everglades appears to be the strongest contender in the South Florida market, although its berth space is constrained. The forecast presented in Exhibit 31 is based a growth rate of 3% of existing base tonnage with a factor for incremental inbound aggregate to make up the deficit lost by the Lake Belt closures.



Source: Martin Associates

As noted, due to the sporadic nature of the market, it is difficult to forecast the lumber and steel tonnage handled at the Florida ports. Construction activity in Florida is expected to rebound in the near-term. Based on this assumption, a 3% growth figure is applied to the current Florida tonnage as shown in Exhibit 32.



Source: Martin Associates

3. Port of Palm Beach IC Bulk and Breakbulk Competitive Assessment

With respect to bulk cargoes, the Port of Palm Beach has not maintained market share with competing ports in the region. The key factors that have contributed to this include the limited draft and on-dock space constraints at the Port.

Interviews with bulk terminal operators at the Port of Palm Beach indicate that they are currently bringing in bulk vessels loaded to 15,000-18,000 tons per call. Conversely, aggregate ships calling Port Everglades are loaded to 40,000 tons and vessels calling the Port of Tampa are loaded to 30,000 tons drawing a draft of 34' to 38'. World supply has shifted to growing demand in foreign countries including China, and has increased the freight rates of the vessels, which in turn increases the transportation cost of cement. Since the transportation cost has increased due to the demand for vessel capacity in the international market, vessel chartering rates are not conducive to light loading the vessels, and therefore limit the Port of Palm Beach market potential until navigational improvements are completed in its harbor.

Cemex has acquired Rinker Materials and the two have merged operations and the long term plan is to develop land at key ports around Florida to serve local/regional ready-mix plants. Currently, Cemex/Rinker imports cement through Jacksonville, Tampa, Port Everglades and Canaveral. In addition, they manufacture cement in Miami and Brooksville. With this merger, Cemex/Rinker has essentially doubled their ready-mix facilities. This is key due to the fact that the average ready-mix plant can serve a local 70-mile radius.

While Cemex/Rinker currently operate on 3-4 acres at the Port of Palm Beach, more storage capacity and rail capacity is necessary for the Port to develop a stronger market position. It is anticipated that volumes will continue to grow at the port in which they are currently entrenched.

The Port of Tampa is signing new tenants to bolster their position in the aggregate market. The Port's Port Redwing is being targeted for bulk operations. Andino Cement has just been signed as a tenant. Other bulk operators such as Titan, Trinity/Votorantim and Cemex are increasing their operations in Tampa. The Tampa Port Authority is projecting an 8 million ton incremental increase in aggregate over the next 6 years from its current base of 2.3 million tons.

An Interview with Andino Cement confirmed the Tampa development (estimated at approximately 2 million tons within 5 years) and also indicated that they were planning on developing a Palm Beach facility, however the deal dissolved due to declining market conditions and improvement costs. Expected volumes and production levels of the potential Port of Palm Beach facility were not disclosed. Ultimately, it appears that they would prefer on-dock storage ship direct to a customer ready-mix plant rather than paying the additional charge on rail or trucking to an inland storage facility.

With respect to an ILC operation, a terminal operator at the port of Tampa operates a 100-acre inland terminal in Bartow (approximately 30-35 miles inland from the Port of Tampa) for bulk materials distribution. The primary focus is to move the bulk away from the costly port storage fees. Approximately 120,000 tons of material is

moved annually through this facility. Competitive trucking rates are the key to success of the inland facility. The terminal operator estimates that the trucking rate can run in the range of \$4-\$8 per ton depending on the commodity. An interview with another bulk distribution company in Florida suggests that there is an interest in developing this type of facility at Palm Beach; however it will serve a local market due to the transportation cost of the material to the end user.

The success of the Port of Palm Beach ILC remains with the cost of the inland transportation cost. Without adequate rail capacity on site at the Port, shippers will have to dray the material to the ILC and therefore handle the material twice. The estimated cost of drayage to a site 60 miles inland at \$8.00 per ton would be \$160-\$192 for a one way trip. Including loading and handling of \$2.50 per ton, this equates to \$10.50 per ton. Interviews with terminal operators suggest that this double handling would essentially price them out of the market.

In order for an ILC concept in Palm Beach to be successful, the additional handling and drayage rates need to be minimized either by subsidies or incentives to the customer. Without such cost reducing measures, this market appears limited from a regional distribution perspective.

With respect to breakbulk lumber and steel, Manatee, Jacksonville and Tampa have historically been the key players serving the Florida market. Canaveral and Port Everglades have increased throughput dramatically for lumber tonnage, while Port Everglades has grown strongly in steel products in recent years. Port of Palm beach has also gained market share in the lumber market. As noted in the historical exhibits, these markets are volatile to construction activity and international market fluctuations.

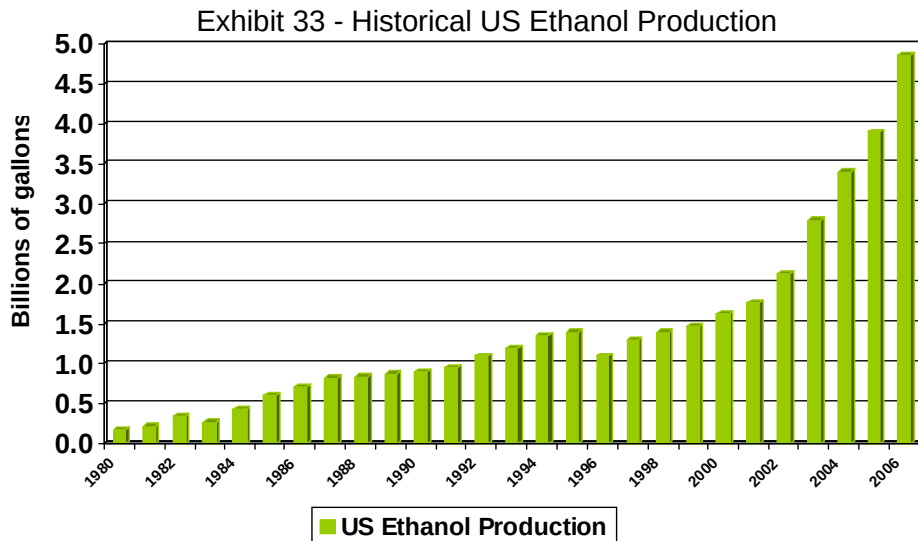
Furthermore, interviews with home center retailers/wholesalers indicate that a large portion of the lumber and plywood supply originates in domestic and Canadian markets and is transported via truck or rail to serve the Florida market.

The competitive advantage in these import markets is determined by the availability of on-dock storage and warehousing infrastructure and proximity to the end user markets. An inland port concept which would require additional handling and drayage costs is problematic and would once again need to address real estate price and lease rates, handling and drayage issues as previously described. Again, these markets will most likely serve local construction activity once the market and economy stabilize.

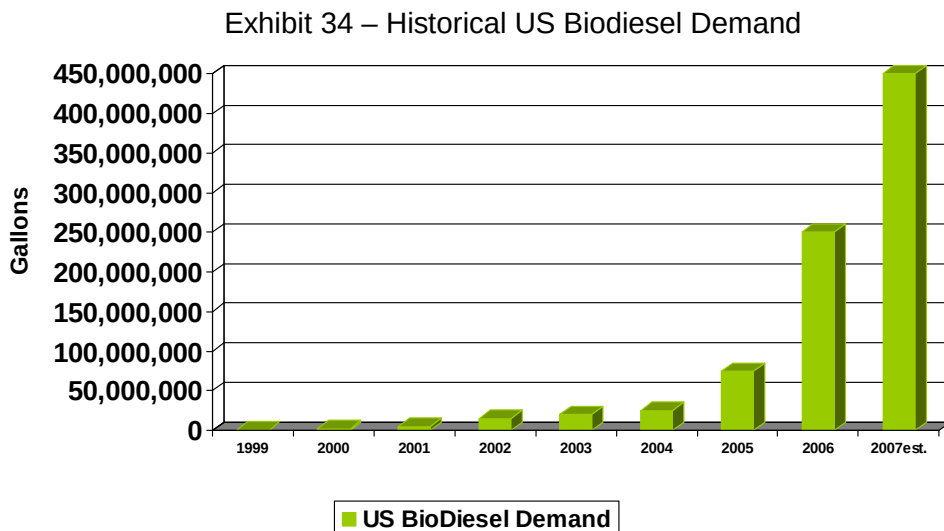
V. Ethanol and Bio-Diesel Production Market Assessment

1. Current Market Assessment

The alternative fuels production industry including ethanol and biodiesel is another area of interest for the Palm Beach ILC. The alternative fuels market has begun to ramp up in recent years due to Federal and state legislation. Since 2000, ethanol production has increased 20% annually, while the Biodiesel Tax Incentive offered in 2005 has bolstered the demand for biodiesel in the United States. Exhibits 33 and 34 present the historical growth in ethanol production and biodiesel demand in the United States.



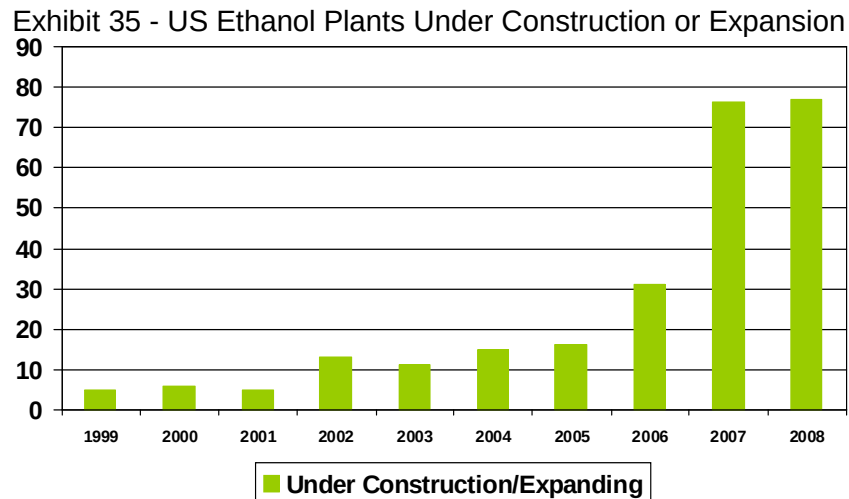
Source: Renewable Fuels Association



Source: National Biodiesel Board

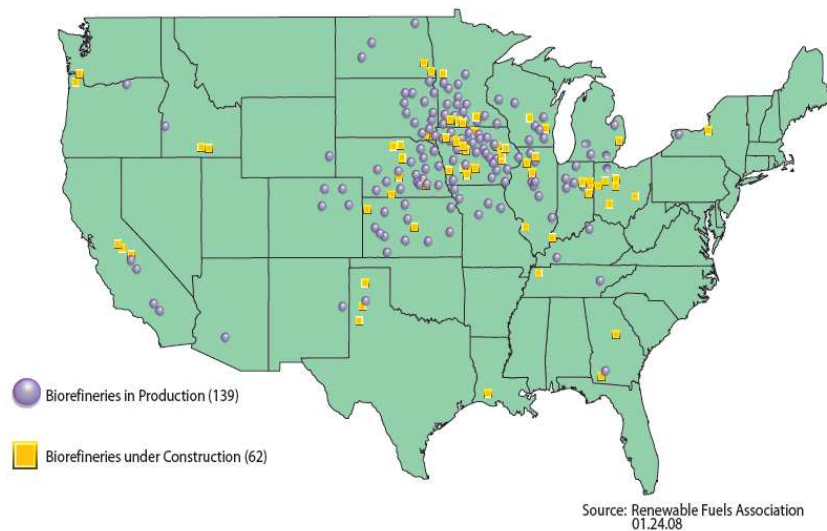
Historically, ethanol production facilities were built near the primary feedstock, corn. However, in recent years, ethanol plants have been built on both the East and

West Coasts. Currently there are 139 operating ethanol biorefineries with an additional 62 under construction. California, Idaho, Oregon, Georgia and Louisiana are some of the states removed from the Corn Belt that are expanding ethanol refinery operations. It is of interest to note that there are currently no existing ethanol plants in Florida. The increase in plants under construction and expansion is shown in Exhibit 35 while a map of current and under construction facilities is presented in Exhibit 36.



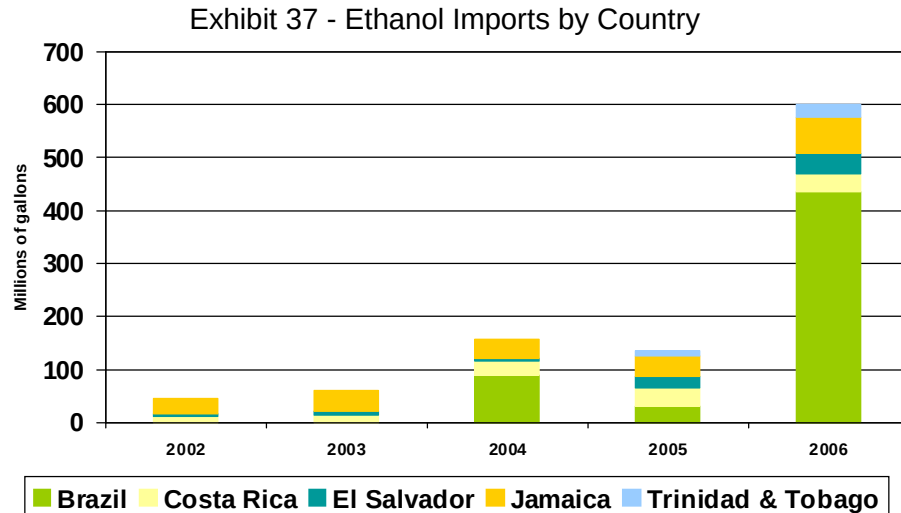
Source: Renewable Fuels Association

Exhibit 36 - US Ethanol Plants by State



Source: Renewable Fuels Association

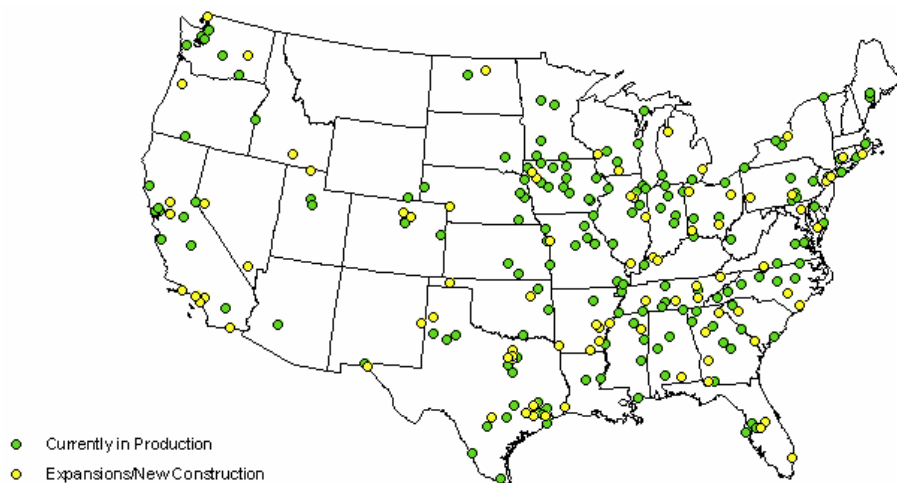
In order to keep pace with demand, ethanol imports are increasing as well. Exhibit 37 depicts the recent historical imports and their country of origin. The dramatic increase in ethanol from Brazil is attributed to the lifting of a key tariff in 2006.



Source: Renewable Fuels Association

In September, 2006 there were 86 biodiesel plants with a combined manufacturing capacity of 580 million gallons. In January, 2008, 164 plants represented nearly 2.2 billion gallons of capacity. In addition, there are 84 plant expansions and new facilities under construction. Exhibit 38 illustrates the location of these plants by state

Exhibit 38 – US Biodiesel Plants by State



Source: Center for Agricultural and Rural Development, IOWA State University, updated January 16, 2008

According to the Center for Agricultural and Rural Development, there are currently three operating biodiesel plants located in Florida with three more under construction. In addition, after this map data was updated, Vencenergy applied for Florida DEP grant to develop a biodiesel plant in Manatee County that will produce a capacity of 37.5 million gallons of biodiesel annually. Current plant location and capacities are presented in Exhibit 39.

Exhibit 39 – Florida Biodiesel Plant Locations and Annual Capacity

Company	Location	Feedstock	Current Capacity (million gal)	Expansions/ New Construction (million gal)
Agri-Source Fuels	Dade City	Multiple Feedstocks	30	
Biodiesel of America	Fort Lauderdale	Recycled Cooking Oil		3
Puracha Processing LLC	Lakeland	Soybean Oil	18	
Renewable Energy Systems Inc.	Pinellas Park	Recycled Cooking Oil	05	
US Biodiesel	Winter Haven	NA		5
Xenergy, Inc.	Kissimmee	Multiple Feedstocks		5
Current Florida Total			485	13

Source: Center for Agricultural and Rural Development, Iowa State University, updated January 16, 2008

2. Ethanol and Biodiesel Production/Consumption Outlook

The potential to develop alternative fuels plants in Palm Beach County does exist. In order to develop production facilities, feedstock must be made readily available on a commercial level.

For an ethanol plant, the key factor is the development of cellulosic ethanol that is produced from plant cell walls. The process is more difficult to break down cellulose to the usable sugars for ethanol production. Currently, local proponents, engineers and Florida universities are attempting to find more cost effective measures to produce the enzymes needed for the cellulosic process.

Furthermore, potential ethanol plants are in the planning stage throughout the state. These include Hendry County, Port Sutton (Hillsborough County) and Highlands County and it is assumed that due to the demand needed, they can each serve specific regions of the State and coexist without cannibalization. These facilities are developing new technologies away from the traditional corn-based production method. For example, citrus peel, sweet sorghum and plant cell biomass are some of the feedstock that are being used in production. This is key due to the fact that the feedstock will not have to be transported to the production plant. Historically, this has been the deterrent in developing plants in the Southeast away from the Corn Belt. In recent years, companies were in contact with ports along the Florida panhandle to potentially barge corn-based feedstock to potential plants. Cost effective transportation was never realized, and therefore did not come to fruition.

Based on US Department of Commerce and US Department of Energy publications, it is estimated that the United States ethanol production is estimated at 30 billion gallons by 2020. The forecast consists of 10.5 billion gallons of corn based production along with 19.5 billion gallons of cellulosic production. This figure presumes that cellulosic ethanol will become commercially available.

The Renewable Fuels Association estimates the 2006 demand for ethanol was 5.37 billion gallons, and with the US population of approximately 300 million, the average ethanol demand per person is 18 gallons. Taking the 2006 Florida population of 18.35

million it is estimated that Floridians would have the potential to consume 331 million gallons of ethanol.

Similarly, Florida Department of Transportation estimates indicate that the Florida consumption for gasoline in 2006 was 8.6 billion gallons. Assuming that 10% of the vehicles on the road were alternative fuel compatible, and using the E10 formula of 10% ethanol per gallon of gasoline, it is estimated that Florida consumption of ethanol is 86 million gallons. Therefore the demand for ethanol consumption in Florida is estimated to range between about 100 million gallons to 300 million gallons annually. This suggests that demand for ethanol facilities exists within the state.

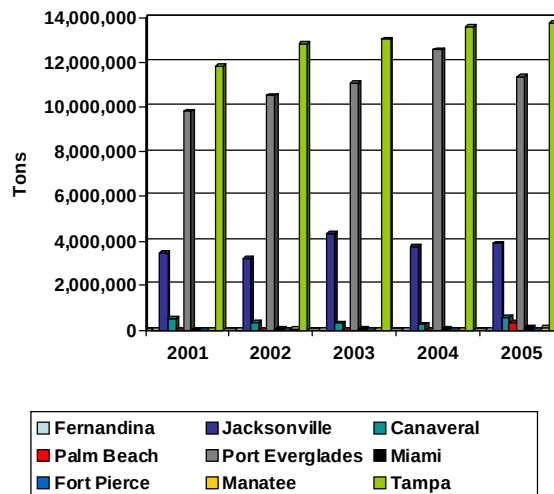
With respect to biodiesel, the key limiting factor is the cost of feedstock. Tariffs on feedstocks such as soybean oil from South American sources prohibit the cost effective shipment and use in domestic manufacturing plants. Currently, potential biodiesel plant operators, along with local Florida universities are researching perspective domestic feedstock alternatives including oils derived from jatropha, soybean, canola and sunflower seeds. Once a crop has been identified that will flourish in the Florida climate, commercial planting can begin.

The National Biodiesel Board estimates that the United States will consume 450 million gallons of biodiesel in 2007. Using the same methodology, Florida has the potential to consume approximately 27.75 million gallons of biodiesel. The new construction and expansion plans underway in Florida, indicate that the demand per capita will increase. Also, the introduction of statewide initiatives such as the implementation of large-scale alternative fuel research projects including the Central Florida Regional Transit Authority (LYNX) program to enhance statewide commercialization of alternative fuel research by converting traditional diesel fleets to a diesel-biodiesel blend. Once implemented, it will be the largest fuel infrastructure and distribution project in Florida resulting in a blend of more than 1 million gallons B100 and six million gallons of B20 annually. In addition, the Florida Farm to Fuel Initiative was created by the Florida Department of Agriculture and Consumer Services to enhance the market for and promote the production and distribution of renewable energy from Florida-grown crops, and other biomass and to enhance the value of agricultural products and agribusiness within the state.

3. Port of Palm Beach IC Ethanol and Biodiesel Competitive Assessment

Interviews with the land owner of the potential Palm Beach ethanol production facility indicate that the initial production would be in the range of 2-3 million gallons, ramping up to 8-10 million gallons within the short-medium term. Again this is under the assumption that the cellulosic method would be cost effective to be distributed commercially. The ethanol produced would then be blended with gasoline at a port with significantly gasoline import quantities. Currently Tampa and Port Everglades control the inbound gasoline market as shown in Exhibit 40. Last year, the Port of Tampa began blending ethanol with petroleum based gasoline. To date, the Port of Palm Beach has not handled a significant level of gasoline imports.

Exhibit 40 - Inbound Waterborne Gasoline Tonnage through Florida Ports



Source: US Waterborne Commerce Statistics

It appears at the outset that the 2-3 million gallons produced at the Palm Beach ILC would be used to serve the local South and Central Florida markets. As the demand increases the production at the Palm Beach facility would increase, and the potential to serve a greater market could be realized. However, there will certainly be development of other ethanol facilities in Florida, and while their volumes cannot be estimated at this time, they will serve their local markets therefore decreasing the market penetration of a Palm Beach plant. Furthermore, based on the two demand scenarios previously discussed, it appears likely that the 10 million gallons of production would be between 3%-12% of the state's estimated potential demand, and thus serving a more localized market.

As mentioned, interviews conducted with biodiesel plant operators indicate that the potential does exist to develop sites in Palm Beach County. The limiting factor, however, for using the Port of Palm Beach for shipments is water depth. One user indicated that with a depth of -35 ft, volumes through the Port of Palm Beach could triple. Given this, a deeper channel would also enable the Port to potentially compete for more liquid bulk material currently moving through Port Everglades.

Another potential for the Port of Palm Beach may be to accept shipments of vegetable oil, provided tariffs were lifted, that would be used in the biodiesel manufacturing process. Shipments of the vegetable oil feedstock are typically shipped in smaller vessels, drawing less water. While it is difficult to determine the market reach of the proposed biodiesel plants, once they become operational, outbound shipments via barge also present an opportunity for the Port.

VI. Summary of Palm Beach ILC Potential Opportunity

Based on this analysis, it appears that over the forecast period, there exists a demand or absorption for 80 million sf of additional distribution center space in the Palm Beach/Southern Florida effective hinterland. The types of facilities that will be most likely in demand are those in the 50,000 to 300,000 sf range, and these sites will most likely serve as satellite DC's to the larger sites that will be developed in Central and Northern Florida, where land prices are less expensive. The key factors that will drive the development of the DC space are:

- Land prices;
- Rental rates;
- Inland trucking costs;
- Rail and highway access;
- Availability of labor; and
- Availability of transportation equipment.

Despite the high average land prices in much of Palm Beach County, there exists the potential to develop an ILC in more remote rural land areas, where prices would most likely be lower and more competitive. The size and nature of the ultimate market opportunity will be a direct function of the land cost and resulting "all in" lease rate.

Port of Palm Beach ILC operations potentially could be related to cargo moving through any Florida gateway (not just the Port of Palm Beach), and serving any key consumption market in Florida (not just the Palm Beach region). However, with increasing distances between the gateways and the ILC, and with increasing distances between the ILC and the markets served, transportation costs rise compared to other service options. The key variable in this equation is the "all in" lease rate per square foot that an ILC customer would pay. The lower the lease rate, the more gateway-market pairs for which the ILC can be competitive.

Due to draft limitations and terminal capacity constraints, it does not appear likely that the Port of Palm Beach will participate in the growing Asian import container trade. Thus, the Port of Miami, and to a lesser extent Port Everglades will be the ports of entry for the Asian retail cargo destined for South Florida. The Port of Palm Beach will be able to continue to compete for South and Central American markets as their capital program is realized.

As shown in the sensitivity analysis, the markets that show the strongest potential to be served via a Port of Palm Beach ILC include Fort Lauderdale, Fort Myers and Fort Pierce. Market penetrations that appear to be more competitive include Miami, Tampa and Orlando. The analysis also suggests that serving Ocala/Gainesville and Jacksonville from a Port of Palm Beach ILC does not appear feasible.

The ability to use a Palm Beach ILC for export Caribbean/Latin America cargo also appears limited due to the cultural ties to the Miami area, as well as the proximity to the Miami International Airport, which provides significant cargo lift capacity to serve the Caribbean/Latin America markets. As the lack of new warehouse space in Miami-Dade and Broward counties and the Latin-American community moves slowly north, this

possibility seems more foreseeable. Similarly, it appears that it would be difficult to attract air cargo away from Miami International Airport for the same reasons.

With respect to the use of an ILC by bulk and breakbulk shippers, the Port of Palm Beach is at a disadvantage due to current water depth and channel restrictions that limit the draft of fully-laden bulk vessels to discharge at the Port until their harbor improvements are realized. However, smaller bulk and breakbulk vessels do call and the port maintains a market presence with respect to steel, lumber and cement and should continue to do so. The imposition of a drayage cost to/from an ILC and additional handling would erode the current market niche and measures, in terms of subsidies or incentives would need to be taken to ensure competitive rates are achieved.

Finally, with respect to an ethanol and biodiesel production facility in Palm Beach County, the analysis suggests a growing demand for ethanol facilities in Florida. However, the scale of operation that is currently being discussed is sized to serve a local, south and central Florida consumption market, thus limiting the potential for barge distribution. While future harbor improvements will provide the Port of Palm Beach with a more competitive position, the ports of Tampa and Port Everglades would have the advantage for blending with gasoline, as these two ports dominate the Florida ports in the inbound water receipts of gasoline

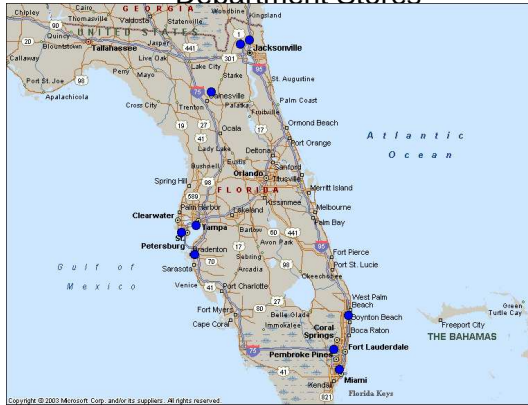
The expanding biodiesel market in Florida is evidenced by the fact that three more facilities are under construction as well as others that are applying for grant from Florida DEP. State and county initiatives will bolster the demand for biodiesel. Researchers are currently examining alternative feedstock options that can be made available on a commercial scale.

The Port of Palm Beach will potentially benefit from increased traffic in terms of both raw materials and finished product. The capital harbor deepening/dredging plan will play a tremendous role in facilitating these opportunities in the future.

In conclusion, the development of an ILC in Palm Beach County will ultimately be driven by private sector investment, which will consider the land price, labor availability, port of entry drayage costs, and rail and highway access to key consumption markets. Opportunities to directly support Port of Palm Beach cargo activities, as integrated remote storage or operating space, do not appear viable for current Port tenants under existing Port conditions, and, until improvements are realized, do not provide any apparent advantage in attracting new Port tenants.

Appendix A - Location of Distribution Center Activity in Florida by Industry:

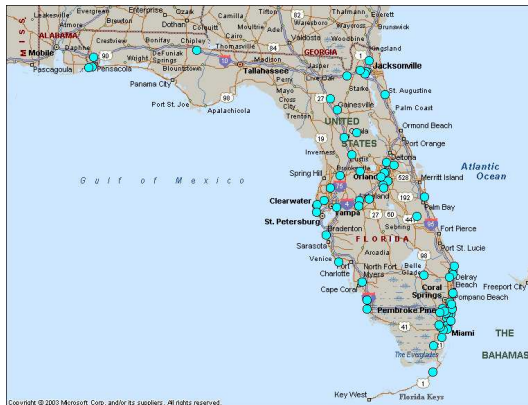
Department Stores



Home Furnishings



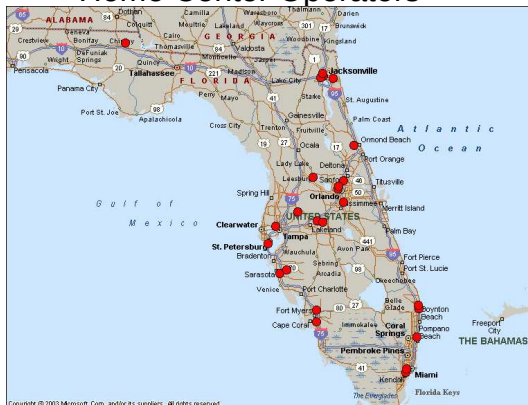
Discount & General Merchandise



Food Service



Home Center Operators



Appendix B – Lease Rate Sensitivity Analysis Detail

Based on 1,000,000 Square Feet Distribution Center

Estimated Cost to Serve Miami Retail Consumption Market:													
Port of Entry	Miami	Port Everglades	Jacksonville	Palm Beach	Miami	Port Everglades	Jacksonville	Miami	Port Everglades	Jacksonville	Miami	Port Everglades	Jacksonville
Location of DC	Orlando	Orlando	Orlando	Palm Beach ILC	Palm Beach ILC	Palm Beach ILC	Palm Beach ILC	Jacksonville	Jacksonville	Jacksonville	Miami	Miami	Miami
Square footage	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Rate\$/year	\$6.99	\$6.99	\$6.99	\$10.95	\$10.95	\$10.95	\$10.95	\$6.04	\$6.04	\$6.04	\$8.28	\$8.28	\$8.28
Annual Lease Subtotal	\$6,990,000	\$6,990,000	\$6,990,000	\$10,950,000	\$10,950,000	\$10,950,000	\$10,950,000	\$6,040,000	\$6,040,000	\$6,040,000	\$8,280,000	\$8,280,000	\$8,280,000
Cost/inbound load	\$298.72	\$298.72	\$298.72	\$467.95	\$467.95	\$467.95	\$467.95	\$258	\$258	\$258	\$354	\$354	\$354
Dray from Port to DC/ILC	\$477	\$446	\$406	\$125	\$250	\$156	\$493	\$588	\$537	\$125	\$175	\$200	\$588
Truck Rate to Miami Retail	\$477	\$477	\$477	\$250	\$250	\$250	\$250	\$588	\$588	\$588	\$175	\$175	\$175
Truck Subtotal	\$954	\$923	\$883	\$375	\$500	\$406	\$743	\$1,176	\$1,125	\$713	\$350	\$375	\$763
Total Annual Lease and Truck Cost	\$22,323,600	\$28,588,200	\$27,652,200	\$19,726,000	\$22,650,000	\$20,450,400	\$28,336,200	\$33,558,400	\$32,365,000	\$22,724,200	\$16,470,000	\$17,055,000	\$26,134,200
Total Cost per Load	\$954	\$1,222	\$1,182	\$843	\$968	\$874	\$1,211	\$1,434	\$1,383	\$971	\$704	\$729	\$1,117
Difference to Total Least Cost	\$250.15	\$517.87	\$477.87	\$139.10	\$264.10	\$170.10	\$507.10	\$730.27	\$679.27	\$267.27	\$0.00	\$25.00	\$413.00
Lease Rate Differential per Load	(\$250.15)	(\$219.15)	(\$179.15)	\$328.85	\$203.85	\$297.85	(\$39.15)	(\$472.15)	(\$421.15)	(\$9.15)	\$353.85	\$328.85	(\$59.15)
Gross Lease Rate/SF Needed	(\$5.85)	(\$5.13)	(\$4.19)	\$7.70	\$4.77	\$6.97	(\$0.92)	(\$11.05)	(\$9.86)	(\$0.21)	\$8.28	\$7.70	(\$1.38)
Gross Lease Rate/SF Needed w/\$50 ILC Gate Charge Assessment				\$6.53	\$3.60	\$5.80	(\$2.09)						

Estimated Cost to Serve Fort Lauderdale Retail Consumption Market:													
Port of Entry	Miami	Port Everglades	Jacksonville	Palm Beach	Miami	Port Everglades	Jacksonville	Miami	Port Everglades	Jacksonville	Miami	Port Everglades	Jacksonville
Location of DC	Orlando	Orlando	Orlando	Palm Beach ILC	Palm Beach ILC	Palm Beach ILC	Palm Beach ILC	Jacksonville	Jacksonville	Jacksonville	Miami	Miami	Miami
Square footage	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Rate\$/year	\$6.99	\$6.99	\$6.99	\$10.95	\$10.95	\$10.95	\$10.95	6.04	6.04	6.04	\$8.28	\$8.28	\$8.28
Annual Lease Subtotal	\$6,990,000	\$6,990,000	\$6,990,000	\$10,950,000	\$10,950,000	\$10,950,000	\$10,950,000	6040000	6040000	6040000	8280000	8280000	8280000
Cost/inbound load	\$298.72	\$298.72	\$298.72	\$467.95	\$467.95	\$467.95	\$467.95	\$258.12	\$258.12	\$258.12	\$353.85	\$353.85	\$353.85
Dray from Port to DC/ILC	\$477	\$446	\$406	\$125	\$250	\$156	\$493	\$588	\$537	\$125	\$175	\$200	\$588
Truck Rate to Ft. Lauderdale Retail	\$446	\$446	\$446	\$156	\$156	\$156	\$156	\$588	\$537	\$537	\$175	\$175	\$175
Truck Subtotal	\$923	\$892	\$852	\$281	\$406	\$312	\$649	\$1,125	\$1,074	\$662	\$350	\$375	\$763
Total Annual Lease and Truck Cost	\$28,588,200	\$27,862,800	\$26,926,800	\$17,525,400	\$20,450,400	\$18,250,800	\$26,136,600	\$32,365,000	\$31,171,600	\$21,530,800	\$16,470,000	\$17,055,000	\$26,134,200
Total Cost per container	\$1,222	\$1,191	\$1,151	\$749	\$874	\$780	\$1,117	\$1,383	\$1,332	\$920	\$704	\$729	\$1,117
Difference to Total Least Cost	\$517.87	\$486.87	\$446.87	\$45.10	\$170.10	\$76.10	\$413.10	\$679.27	\$628.27	\$216.27	\$0.00	\$25.00	\$413.00
Lease Rate Differential per Load	(\$219.15)	(\$188.15)	(\$148.15)	\$422.85	\$297.85	\$391.85	\$54.85	(\$421.15)	(\$370.15)	\$41.85	\$353.85	\$328.85	(\$59.15)
Gross Lease Rate/SF Needed	(\$5.13)	(\$4.40)	(\$3.47)	\$9.89	\$6.97	\$9.17	\$1.28	(\$9.86)	(\$8.66)	\$0.98	\$8.28	\$7.70	(\$1.38)
Gross Lease Rate/SF Needed w/\$50 ILC Gate Charge Assessment				\$8.72	\$5.80	\$8.00	\$0.11						

Estimated Cost to Serve Fort Myers Retail Consumption Market:													
Port of Entry	Miami	Port Everglades	Jacksonville	Palm Beach	Miami	Port Everglades	Jacksonville	Miami	Port Everglades	Jacksonville	Miami	Port Everglades	Jacksonville
Location of DC	Orlando	Orlando	Orlando	Palm Beach ILC	Palm Beach ILC	Palm Beach ILC	Palm Beach ILC	Jacksonville	Jacksonville	Jacksonville	Miami	Miami	Miami
Square footage	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Rate\$/year	\$6.99	\$6.99	\$6.99	\$10.95	\$10.95	\$10.95	\$10.95	6.04	6.04	6.04	\$8.28	\$8.28	\$8.28
Annual Lease Subtotal	\$6,990,000	\$6,990,000	\$6,990,000	\$10,950,000	\$10,950,000	\$10,950,000	\$10,950,000	6040000	6040000	6040000	8280000	8280000	8280000
Cost/inbound load	\$298.72	\$298.72	\$298.72	\$467.95	\$467.95	\$467.95	\$467.95	\$258.12	\$258.12	\$258.12	\$353.85	\$353.85	\$353.85
Dray from Port to DC/ILC	\$477	\$446	\$406	\$125	\$250	\$156	\$493	\$588	\$537	\$125	\$175	\$200	\$588
Truck Rate to Ft. Myers Retail	\$535	\$535	\$535	\$439	\$439	\$439	\$439	\$614	\$614	\$614	\$470	\$470	\$470
Truck Subtotal	\$1,012	\$981	\$941	\$564	\$689	\$595	\$932	\$1,202	\$1,151	\$739	\$645	\$670	\$1,058
Total Annual Lease and Truck Cost	\$30,670,800	\$29,945,400	\$29,009,400	\$24,147,600	\$27,072,600	\$24,873,000	\$32,758,800	\$34,166,800	\$32,973,400	\$23,332,600	\$23,373,000	\$23,958,000	\$33,037,200
Total Cost per container	\$1,311	\$1,280	\$1,240	\$1,032	\$1,157	\$1,063	\$1,400	\$1,460	\$1,409	\$997	\$999	\$1,024	\$1,412
Difference to Total Least Cost	\$313.60	\$282.60	\$242.60	\$34.83	\$159.83	\$65.83	\$402.83	\$463.00	\$412.00	\$0.00	\$1.73	\$26.73	\$414.73
Lease Rate Differential per Load	(\$14.88)	\$16.12	\$56.12	\$433.12	\$308.12	\$402.12	\$65.12	(\$204.88)	(\$153.88)	\$258.12	\$352.12	\$327.12	(\$60.88)
Gross Lease Rate/SF Needed	(\$0.35)	\$0.38	\$1.31	\$10.14	\$7.21	\$8.41	\$1.52	(\$4.79)	(\$3.60)	\$6.04	\$8.24	\$7.65	(\$1.42)
Gross Lease Rate/SF Needed w/\$50 ILC Gate Charge Assessment				\$8.97	\$6.04	\$8.24	\$0.35						

Estimated Cost to Serve Fort Pierce Retail Consumption Market:													
Port of Entry	Miami	Port Everglades	Jacksonville	Palm Beach	Miami	Port Everglades	Jacksonville	Miami	Port Everglades	Jacksonville	Miami	Port Everglades	Jacksonville
Location of DC	Orlando	Orlando	Orlando	Palm Beach ILC	Palm Beach ILC	Palm Beach ILC	Palm Beach ILC	Jacksonville	Jacksonville	Jacksonville	Miami	Miami	Miami
Square footage	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Rate\$/year	\$6.99	\$6.99	\$6.99	\$10.95	\$10.95	\$10.95	\$10.95	6.04	6.04	6.04	\$8.28	\$8.28	\$8.28
Annual Lease Subtotal	\$6,990,000	\$6,990,000	\$6,990,000	\$10,950,000	\$10,950,000	\$10,950,000	\$10,950,000	6040000	6040000	6040000	8280000	8280000	8280000
Cost/inbound load	\$298.72	\$298.72	\$298.72	\$467.95	\$467.95	\$467.95	\$467.95	\$258.12	\$258.12	\$258.12	\$353.85	\$353.85	\$353.85
Dray from Port to DC/ILC	\$477	\$446	\$406	\$125	\$250	\$156	\$493	\$588	\$537	\$125	\$175	\$200	\$588
Truck Rate to Ft. Pierce Retail	\$408	\$408	\$408	\$310	\$310	\$310	\$310	\$460	\$460	\$460	\$439	\$439	\$439
Truck Subtotal	\$885	\$854	\$814	\$435	\$560	\$466	\$803	\$1,048	\$997	\$585	\$614	\$639	\$1,027
Total Annual Lease and Truck Cost	\$27,699,000	\$26,873,000	\$26,037,000	\$21,129,000	\$24,054,000	\$21,854,000	\$29,748,000	\$30,563,000	\$29,369,000	\$19,729,000	\$22,647,000	\$23,232,000	\$32,111,000
Total Cost per container	\$1,184	\$1,153	\$1,113	\$903	\$1,028	\$934	\$1,271	\$1,306	\$1,255	\$943	\$968	\$993	\$1,381
Difference to Total Least Cost	\$340.60	\$309.60	\$269.60	\$59.83	\$184.83	\$90.83	\$427.83	\$463.00	\$412.00	\$0.00	\$124.73	\$149.73	\$537.73
Lease Rate Differential per Load	(\$41.88)	(\$10.88)	\$29.12	\$408.12	\$283.12	\$377.12	\$40.12	(\$204.88)	(\$153.88)	\$258.12	\$229.12	\$204.12	(\$183.88)
Gross Lease Rate/SF Needed	(\$0.99)	(\$0.25)	\$0.68	\$9.55	\$6.63	\$8.82	\$0.94	(\$4.79)	(\$3.60)	\$6.04	\$5.36	\$4.78	(\$4.30)
Gross Lease Rate/SF Needed w/\$50 ILC Gate Charge Assessment				\$8.38	\$5.46	\$7.65	(\$0.23)						

Estimated Cost to Serve Orlando/Lakeland Retail Consumption Market:													
Port of Entry	Miami	Port Everglades	Jacksonville	Palm Beach	Miami	Port Everglades	Jacksonville	Miami	Port Everglades	Jacksonville	Miami	Port Everglades	Jacksonville
Location of DC	Orlando	Orlando	Orlando	Palm Beach ILC	Palm Beach ILC	Palm Beach ILC	Palm Beach ILC	Jacksonville	Jacksonville	Jacksonville	Miami	Miami	Miami
Square footage	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Rate/sf/year	\$6.99	\$6.99	\$6.99	\$10.95	\$10.95	\$10.95	\$10.95	\$10.95	6.04	6.04	6.04	\$8.28	\$8.28
Annual Lease Subtotal	\$6,990,000	\$6,990,000	\$6,990,000	\$10,950,000	\$10,950,000	\$10,950,000	\$10,950,000	\$10,950,000	6040000	6040000	6040000	8280000	8280000
Cost/inbound load	\$298.72	\$298.72	\$298.72	\$467.95	\$467.95	\$467.95	\$467.95	\$467.95	\$258.12	\$258.12	\$258.12	\$353.85	\$353.85
Dray from Port to DC/ILC	\$477	\$446	\$406	\$125	\$250	\$156	\$493	\$588	\$537	\$125	\$175	\$200	\$588
Truck Rate to Orlando/Lakeland Retail	\$150	\$150	\$150	\$408	\$408	\$408	\$408	\$406	\$406	\$406	\$477	\$477	\$477
Truck Subtotal	\$627	\$596	\$556	\$533	\$568	\$568	\$901	\$994	\$943	\$531	\$652	\$677	\$1,065
Total Annual Lease and Truck Cost	\$21,661,800	\$20,936,400	\$20,400,400	\$23,422,200	\$26,347,200	\$24,147,600	\$32,033,400	\$29,299,600	\$28,106,200	\$18,465,400	\$23,536,800	\$24,121,800	\$33,201,000
Total Cost per container	\$926	\$895	\$855	\$1,001	\$1,126	\$1,032	\$1,369	\$1,252	\$1,201	\$789	\$1,006	\$1,031	\$1,419
Difference to Total Least Cost	\$136.60	\$105.60	\$65.60	\$211.83	\$336.83	\$242.83	\$579.83	\$463.00	\$412.00	\$0.00	\$216.73	\$241.73	\$629.73
Lease Rate Differential per Load	\$162.12	\$193.12	\$233.12	\$256.12	\$131.12	\$225.12	(\$111.88)	(\$204.88)	(\$153.88)	\$258.12	\$137.12	\$112.12	(\$275.88)
Gross Lease Rate/SF Needed	\$3.79	\$4.52	\$5.46	\$5.99	\$3.07	\$5.27	(\$2.62)	(\$4.79)	(\$3.60)	\$6.04	\$3.21	\$2.62	(\$6.46)
Gross Lease Rate/SF Needed w/\$50 ILC Gate Charge Assessment				\$4.82	\$1.90	\$4.10	(\$3.79)						

Estimated Cost to Serve Tampa Retail Consumption Market:													
Port of Entry	Miami	Port Everglades	Jacksonville	Palm Beach	Miami	Port Everglades	Jacksonville	Miami	Port Everglades	Jacksonville	Miami	Port Everglades	Jacksonville
Location of DC	Orlando	Orlando	Orlando	Palm Beach ILC	Palm Beach ILC	Palm Beach ILC	Palm Beach ILC	Jacksonville	Jacksonville	Jacksonville	Miami	Miami	Miami
Square footage	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Rate/sf/year	\$6.99	\$6.99	\$6.99	\$10.95	\$10.95	\$10.95	\$10.95	\$10.95	6.04	6.04	6.04	\$8.28	\$8.28
Annual Lease Subtotal	\$6,990,000	\$6,990,000	\$6,990,000	\$10,950,000	\$10,950,000	\$10,950,000	\$10,950,000	\$10,950,000	6040000	6040000	6040000	8280000	8280000
Cost/inbound load	\$298.72	\$298.72	\$298.72	\$467.95	\$467.95	\$467.95	\$467.95	\$467.95	\$258.12	\$258.12	\$258.12	\$353.85	\$353.85
Dray from Port to DC/ILC	\$477	\$446	\$406	\$125	\$250	\$156	\$493	\$588	\$537	\$125	\$175	\$200	\$588
Truck Rate to Tampa Retail	\$322	\$322	\$322	\$464	\$464	\$464	\$464	\$510	\$510	\$510	\$519	\$519	\$519
Truck Subtotal	\$799	\$768	\$728	\$589	\$714	\$620	\$957	\$1,098	\$1,047	\$635	\$694	\$719	\$1,107
Total Annual Lease and Truck Cost	\$25,686,600	\$24,961,200	\$24,025,200	\$24,732,600	\$27,657,600	\$25,458,000	\$33,343,800	\$31,733,200	\$30,539,800	\$20,899,000	\$24,519,600	\$25,104,600	\$34,183,800
Total Cost per container	\$1,098	\$1,067	\$1,027	\$1,057	\$1,182	\$1,088	\$1,425	\$1,356	\$1,305	\$893	\$1,048	\$1,073	\$1,461
Difference to Total Least Cost	\$204.60	\$173.60	\$133.60	\$163.83	\$288.83	\$194.83	\$531.83	\$463.00	\$412.00	\$0.00	\$154.73	\$179.73	\$567.73
Lease Rate Differential per Load	\$94.12	\$125.12	\$165.12	\$304.12	\$179.12	\$273.12	(\$63.88)	(\$204.88)	(\$153.88)	\$258.12	\$199.12	\$174.12	(\$213.88)
Gross Lease Rate/SF Needed	\$2.20	\$2.93	\$3.86	\$7.12	\$4.19	\$6.39	(\$1.49)	(\$4.79)	(\$3.60)	\$6.04	\$4.66	\$4.07	(\$5.00)
Gross Lease Rate/SF Needed w/\$50 ILC Gate Charge Assessment				\$5.95	\$3.02	\$5.22	(\$2.66)						

Estimated Cost to Serve Ocala/Gainesville Retail Consumption Market:													
Port of Entry	Miami	Port Everglades	Jacksonville	Palm Beach	Miami	Port Everglades	Jacksonville	Miami	Port Everglades	Jacksonville	Miami	Port Everglades	Jacksonville
Location of DC	Orlando	Orlando	Orlando	Palm Beach ILC	Palm Beach ILC	Palm Beach ILC	Palm Beach ILC	Jacksonville	Jacksonville	Jacksonville	Miami	Miami	Miami
Square footage	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Rate/sf/year	\$6.99	\$6.99	\$6.99	\$10.95	\$10.95	\$10.95	\$10.95	\$10.95	6.04	6.04	6.04	\$8.28	\$8.28
Annual Lease Subtotal	\$6,990,000	\$6,990,000	\$6,990,000	\$10,950,000	\$10,950,000	\$10,950,000	\$10,950,000	\$10,950,000	6040000	6040000	6040000	8280000	8280000
Cost/inbound load	\$298.72	\$298.72	\$298.72	\$467.95	\$467.95	\$467.95	\$467.95	\$467.95	\$258.12	\$258.12	\$258.12	\$353.85	\$353.85
Dray from Port to DC/ILC	\$477	\$446	\$406	\$125	\$250	\$156	\$493	\$588	\$537	\$125	\$175	\$200	\$588
Truck Rate to Ocala/Gainesville Retail	\$307	\$307	\$307	\$516	\$516	\$516	\$516	\$370	\$370	\$370	\$578	\$578	\$578
Truck Subtotal	\$784	\$753	\$713	\$641	\$766	\$672	\$1,009	\$958	\$907	\$495	\$753	\$778	\$1,166
Total Annual Lease and Truck Cost	\$25,335,600	\$24,610,200	\$23,674,200	\$25,949,400	\$28,874,400	\$26,674,800	\$34,560,600	\$28,457,200	\$27,263,800	\$17,623,000	\$25,900,200	\$26,485,200	\$35,564,400
Total Cost per container	\$1,083	\$1,052	\$1,012	\$1,109	\$1,234	\$1,140	\$1,477	\$1,216	\$1,165	\$753	\$1,107	\$1,132	\$1,520
Difference to Total Least Cost	\$329.60	\$298.60	\$258.60	\$355.83	\$480.83	\$386.83	\$723.83	\$463.00	\$412.00	\$0.00	\$353.73	\$378.73	\$766.73
Lease Rate Differential per Load	(\$30.88)	\$0.12	\$40.12	\$112.12	(\$12.88)	\$81.12	(\$255.88)	(\$204.88)	(\$153.88)	\$258.12	\$0.12	(\$24.88)	(\$412.88)
Gross Lease Rate/SF Needed	(\$0.72)	\$0.00	\$0.94	\$2.62	(\$0.30)	\$1.90	(\$5.99)	(\$4.79)	(\$3.60)	\$6.04	\$0.00	(\$0.58)	(\$9.66)
Gross Lease Rate/SF Needed w/\$50 ILC Gate Charge Assessment				\$1.45	(\$1.47)	\$0.73	(\$7.16)						

Estimated Cost to Serve Jacksonville Retail Consumption Market:													
Port of Entry	Miami	Port Everglades	Jacksonville	Palm Beach	Miami	Port Everglades	Jacksonville	Miami	Port Everglades	Jacksonville	Miami	Port Everglades	Jacksonville
Location of DC	Orlando	Orlando	Orlando	Palm Beach ILC	Palm Beach ILC	Palm Beach ILC	Palm Beach ILC	Jacksonville	Jacksonville	Jacksonville	Miami	Miami	Miami
Square footage	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Rate/sf/year	\$6.99	\$6.99	\$6.99	\$10.95	\$10.95	\$10.95	\$10.95	\$10.95	6.04	6.04	6.04	\$8.28	\$8.28
Annual Lease Subtotal	\$6,990,000	\$6,990,000	\$6,990,000	\$10,950,000	\$10,950,000	\$10,950,000	\$10,950,000	\$10,950,000	6040000	6040000	6040000	8280000	8280000
Cost/inbound load	\$298.72	\$298.72	\$298.72	\$467.95	\$467.95	\$467.95	\$467.95	\$467.95	\$258.12	\$258.12	\$258.12	\$353.85	\$353.85
Dray from Port to DC/ILC	\$477	\$446	\$406	\$125	\$250	\$156	\$493	\$588	\$537	\$125	\$175	\$200	\$588
Truck Rate to Jacksonville Retail	\$406	\$406	\$406	\$493	\$493	\$493	\$493	\$125	\$125	\$125	\$588	\$588	\$588
Truck Subtotal	\$883	\$852	\$812	\$618	\$743	\$649	\$986	\$713	\$662	\$250	\$763	\$788	\$1,176
Total Annual Lease and Truck Cost	\$27,652,200	\$26,926,800	\$25,990,800	\$25,411,200	\$28,336,200	\$26,136,600	\$34,022,400	\$22,724,200	\$21,530,800	\$11,890,000	\$26,134,200	\$26,719,200	\$35,796,400
Total Cost per container	\$1,182	\$1,151	\$1,111	\$1,086	\$1,211	\$1,117	\$1,454	\$971	\$920	\$508	\$1,117	\$1,142	\$1,530
Difference to Total Least Cost	\$673.60	\$642.60	\$602.60	\$577.83	\$702.83	\$608.83	\$945.83	\$463.00	\$412.00	\$0.00	\$608.73	\$633.73	\$1,021.73
Lease Rate Differential per Load	(\$374.88)	(\$343.88)	(\$303.88)	(\$109.88)	(\$234.88)	(\$140.88)	(\$477.88)	(\$204.88)	(\$153.88)	\$258.12	(\$254.88)	(\$279.88)	(\$567.88)
Gross Lease Rate/SF Needed	(\$8.77)	(\$8.05)	(\$7.11)	(\$2.87)	(\$6.50)	(\$4.30)	(\$11.18)	(\$4.79)	(\$3.60)	\$6.04	(\$5.96)	(\$6.55)	(\$15.63)
Gross Lease Rate/SF Needed w/\$50 ILC Gate Charge Assessment				(\$3.74)	(\$6.67)	(\$4.47)	(\$12.35)						

Estimated Cost to Serve Miami Retail Consumption Market:														
Port of Entry	Miami	Port Everglades	Jacksonville	Palm Beach	Miami	Port Everglades	Jacksonville	Miami	Port Everglades	Jacksonville	Miami	Port Everglades	Jacksonville	
Location of DC	Orlando	Orlando	Orlando	Palm Beach ILC	Palm Beach ILC	Palm Beach ILC	Palm Beach ILC	Jacksonville	Jacksonville	Jacksonville	Miami	Miami	Miami	
Square footage	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000
Rate/sf/year	\$6.99	\$6.99	\$6.99	\$6.99	\$10.95	\$10.95	\$10.95	\$10.95	6.04	6.04	6.04	\$8.28	\$8.28	\$8.28
Annual Lease Subtotal	\$3,495,000	\$3,495,000	\$3,495,000	\$5,475,000	\$5,475,000	\$5,475,000	\$5,475,000	3020000	3020000	3020000	4140000	4140000	4140000	4140000
Lease Cost/Inbound Load	\$280.05	\$280.05	\$280.05	\$233.97	\$438.70	\$438.70	\$438.70	\$241.99	\$241.99	\$241.99	\$331.73	\$331.73	\$331.73	\$331.73
Dray from Port to DC/ILC	\$477	\$446	\$406	\$125	\$250	\$156	\$493	\$588	\$537	\$125	\$175	\$200	\$588	\$588
Truck Rate to Miami Retail	\$477	\$477	\$477	\$250	\$250	\$250	\$250	\$588	\$588	\$588	\$175	\$175	\$175	\$175
Truck Subtotal	\$954	\$923	\$883	\$375	\$500	\$406	\$743	\$1,176	\$1,125	\$713	\$350	\$375	\$763	\$763
Total Annual Lease and Truck Cost	\$15,400,920	\$15,014,040	\$14,514,840	\$10,155,000	\$11,715,000	\$10,541,880	\$14,747,640	\$17,696,480	\$17,060,000	\$11,918,240	\$8,508,000	\$8,820,000	\$13,662,240	\$13,662,240
Total Cost per Load	\$1,234	\$1,203	\$1,163	\$609	\$939	\$845	\$1,182	\$1,418	\$1,367	\$955	\$682	\$707	\$1,095	\$1,095
Difference to Total Least Cost	\$552.32	\$521.32	\$481.32	(\$72.76)	\$256.97	\$162.97	\$499.97	\$736.26	\$685.26	\$273.26	\$0.00	\$25.00	\$413.00	\$413.00
Lease Rate Differential per Load	(\$272.27)	(\$241.27)	(\$201.27)	\$306.73	\$181.73	\$275.73	(\$61.27)	(\$494.27)	(\$443.27)	(\$31.27)	\$331.73	\$306.73	(\$81.27)	(\$81.27)
Gross Lease Rate/SF Needed to Lease	(\$6.80)	(\$6.02)	(\$5.02)	\$7.66	\$4.54	\$6.88	(\$1.53)	(\$12.34)	(\$11.06)	(\$0.78)	\$8.28	\$7.66	(\$2.03)	(\$2.03)
Gross Lease Rate/SF Needed w/\$50 ILC Gate Charge Assessment				\$6.41	\$3.29	\$5.63	(\$2.78)							

Estimated Cost to Serve Fort Lauderdale Retail Consumption Market:														
Port of Entry	Miami	Port Everglades	Jacksonville	Palm Beach	Miami	Port Everglades	Jacksonville	Miami	Port Everglades	Jacksonville	Miami	Port Everglades	Jacksonville	
Location of DC	Orlando	Orlando	Orlando	Palm Beach ILC	Palm Beach ILC	Palm Beach ILC	Palm Beach ILC	Jacksonville	Jacksonville	Jacksonville	Miami	Miami	Miami	
Square footage	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000
Rate/sf/year	\$6.99	\$6.99	\$6.99	\$10.95	\$10.95	\$10.95	\$10.95	6.04	6.04	6.04	\$8.28	\$8.28	\$8.28	\$8.28
Annual Lease Subtotal	\$3,495,000	\$3,495,000	\$3,495,000	\$5,475,000	\$5,475,000	\$5,475,000	\$5,475,000	3020000	3020000	3020000	4140000	4140000	4140000	4140000
Cost/inbound load	\$280.05	\$280.05	\$280.05	\$233.97	\$438.70	\$438.70	\$438.70	\$241.99	\$241.99	\$241.99	\$331.73	\$331.73	\$331.73	\$331.73
Dray from Port to DC/ILC	\$477	\$446	\$406	\$125	\$250	\$156	\$493	\$588	\$537	\$125	\$175	\$200	\$588	\$588
Truck Rate to Ft. Lauderdale Retail	\$446	\$446	\$446	\$156	\$156	\$156	\$156	\$37	\$37	\$37	\$175	\$175	\$175	\$175
Truck Subtotal	\$923	\$892	\$852	\$281	\$406	\$312	\$649	\$1,125	\$1,074	\$663	\$350	\$375	\$763	\$763
Total Annual Lease and Truck Cost	\$15,014,040	\$14,627,160	\$14,127,860	\$8,981,880	\$10,541,880	\$9,368,760	\$13,574,520	\$17,060,000	\$16,423,520	\$11,281,760	\$8,508,000	\$8,820,000	\$13,662,240	\$13,662,240
Total Cost per container	\$1,203	\$1,172	\$1,132	\$515	\$845	\$751	\$1,088	\$1,367	\$1,316	\$904	\$682	\$707	\$1,095	\$1,095
Difference to Total Least Cost	\$521.32	\$490.32	\$450.32	(\$166.76)	\$162.97	\$68.97	\$405.97	\$685.26	\$634.26	\$222.26	\$0.00	\$25.00	\$413.00	\$413.00
Lease Rate Differential	(\$241.27)	(\$210.27)	(\$170.27)	\$400.73	\$275.73	\$369.73	\$32.73	(\$443.27)	(\$392.27)	\$19.73	\$331.73	\$306.73	(\$81.27)	(\$81.27)
Gross Lease Rate/SF Needed	(\$6.02)	(\$5.25)	(\$4.25)	\$10.00	\$6.88	\$9.23	\$0.82	(\$11.06)	(\$9.79)	\$0.49	\$8.28	\$7.66	(\$2.03)	(\$2.03)
Gross Lease Rate/SF Needed w/\$50 ILC Gate Charge Assessment				\$8.75	\$5.63	\$7.98	(\$0.43)							

Estimated Cost to Serve Fort Myers Retail Consumption Market:														
Port of Entry	Miami	Port Everglades	Jacksonville	Palm Beach	Miami	Port Everglades	Jacksonville	Miami	Port Everglades	Jacksonville	Miami	Port Everglades	Jacksonville	
Location of DC	Orlando	Orlando	Orlando	Palm Beach ILC	Palm Beach ILC	Palm Beach ILC	Palm Beach ILC	Jacksonville	Jacksonville	Jacksonville	Miami	Miami	Miami	
Square footage	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000
Rate/sf/year	\$6.99	\$6.99	\$6.99	\$10.95	\$10.95	\$10.95	\$10.95	6.04	6.04	6.04	\$8.28	\$8.28	\$8.28	\$8.28
Annual Lease Subtotal	\$3,495,000	\$3,495,000	\$3,495,000	\$5,475,000	\$5,475,000	\$5,475,000	\$5,475,000	3020000	3020000	3020000	4140000	4140000	4140000	4140000
Cost/inbound load	\$280.05	\$280.05	\$280.05	\$233.97	\$438.70	\$438.70	\$438.70	\$241.99	\$241.99	\$241.99	\$331.73	\$331.73	\$331.73	\$331.73
Dray from Port to DC/ILC	\$477	\$446	\$406	\$125	\$250	\$156	\$493	\$588	\$537	\$125	\$175	\$200	\$588	\$588
Truck Rate to Ft. Myers Retail	\$535	\$535	\$535	\$439	\$439	\$439	\$439	614	614	614	470	470	470	470
Truck Subtotal	\$1,012	\$981	\$941	\$564	\$689	\$595	\$932	\$1,202	\$1,151	\$739	\$645	\$670	\$1,058	\$1,058
Total Annual Lease and Truck Cost	\$16,124,760	\$15,737,880	\$15,236,680	\$12,513,720	\$14,073,720	\$12,900,600	\$17,106,360	\$18,020,960	\$17,384,480	\$12,242,720	\$12,189,600	\$12,501,600	\$17,343,840	\$17,343,840
Total Cost per container	\$1,292	\$1,261	\$1,221	\$798	\$1,128	\$1,034	\$1,371	\$1,444	\$1,393	\$981	\$977	\$1,002	\$1,390	\$1,390
Difference to Total Least Cost	\$315.32	\$284.32	\$244.32	(\$178.76)	\$159.97	\$56.97	\$393.97	\$467.26	\$416.26	\$4.26	\$0.00	\$25.00	\$413.00	\$413.00
Lease Rate Differential	(\$39.27)	(\$4.27)	\$35.73	\$412.73	\$287.73	\$381.73	\$44.73	(\$225.27)	(\$174.27)	\$237.73	\$331.73	\$306.73	(\$81.27)	(\$81.27)
Gross Lease Rate/SF Needed	(\$0.88)	(\$0.11)	\$0.89	\$10.30	\$7.18	\$9.53	\$1.12	(\$5.62)	(\$4.35)	\$5.93	\$8.28	\$7.66	(\$2.03)	(\$2.03)
Gross Lease Rate/SF Needed w/\$50 ILC Gate Charge Assessment				\$9.05	\$5.93	\$8.28	(\$0.13)							

Estimated Cost to Serve Fort Pierce Retail Consumption Market:														
Port of Entry	Miami	Port Everglades	Jacksonville	Palm Beach	Miami	Port Everglades	Jacksonville	Miami	Port Everglades	Jacksonville	Miami	Port Everglades	Jacksonville	
Location of DC	Orlando	Orlando	Orlando	Palm Beach ILC	Palm Beach ILC	Palm Beach ILC	Palm Beach ILC	Jacksonville	Jacksonville	Jacksonville	Miami	Miami	Miami	
Square footage	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000
Rate/sf/year	\$6.99	\$6.99	\$6.99	\$10.95	\$10.95	\$10.95	\$10.95	6.04	6.04	6.04	\$8.28	\$8.28	\$8.28	\$8.28
Annual Lease Subtotal	\$3,495,000	\$3,495,000	\$3,495,000	\$5,475,000	\$5,475,000	\$5,475,000	\$5,475,000	3020000	3020000	3020000	4140000	4140000	4140000	4140000
Cost/inbound load	\$280.05	\$280.05	\$280.05	\$233.97	\$438.70	\$438.70	\$438.70	\$241.99	\$241.99	\$241.99	\$331.73	\$331.73	\$331.73	\$331.73
Dray from Port to DC/ILC	\$477	\$446	\$406	\$125	\$250	\$156	\$493	\$588	\$537	\$125	\$175	\$200	\$588	\$588
Truck Rate to Ft. Pierce Retail	\$408	\$408	\$408	\$310	\$310	\$310	\$310	460	460	460	439	439	439	439
Truck Subtotal	\$885	\$854	\$814	\$435	\$560	\$466	\$803	\$1,048	\$997	\$585	\$614	\$639	\$1,027	\$1,027
Total Annual Lease and Truck Cost	\$14,539,800	\$14,152,920	\$13,653,720	\$10,903,800	\$12,463,800	\$11,290,680	\$15,496,440	\$16,099,040	\$15,462,560	\$10,320,800	\$11,802,720	\$12,114,720	\$16,956,960	\$16,956,960
Total Cost per container	\$1,165	\$1,134	\$1,094	\$669	\$999	\$905	\$1,242	\$1,290	\$1,239	\$827	\$946	\$971	\$1,359	\$1,359
Difference to Total Least Cost	\$338.06	\$307.06	\$267.06	(\$158.01)	\$171.71	\$77.71	\$414.71	\$463.00	\$412.00	\$0.00	\$118.74	\$143.74	\$531.74	\$531.74
Lease Rate Differential	(\$58.01)	(\$27.01)	\$12.99	\$391.99	\$266.99	\$360.99	\$23.99	(\$221.01)	(\$170.01)	\$241.99	\$212.99	\$187.99	(\$200.01)	(\$200.01)
Gross Lease Rate/SF Needed	(\$1.45)	(\$0.67)	\$0.32	\$9.78	\$6.66	\$9.01	\$0.60	(\$5.52)	(\$4.24)	\$6.04	\$5.32	\$4.69	(\$4.99)	(\$4.99)
Gross Lease Rate/SF Needed w/\$50 ILC Gate Charge Assessment				\$8.54	\$5.42	\$7.76	(\$0.65)							

Estimated Cost to Serve Orlando/Lakeland Retail Consumption Market:														
Port of Entry	Miami	Port Everglades	Jacksonville	Palm Beach	Miami	Port Everglades	Jacksonville	Miami	Port Everglades	Jacksonville	Miami	Port Everglades	Jacksonville	
Location of DC	Orlando	Orlando	Orlando	Palm Beach ILC	Palm Beach ILC	Palm Beach ILC	Palm Beach ILC	Jacksonville	Jacksonville	Jacksonville	Miami	Miami	Miami	
Square Footage	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000
Rate\$/year	\$6.99	\$6.99	\$6.99	\$10.95	\$10.95	\$10.95	\$10.95	\$10.95	6.04	6.04	6.04	\$8.28	\$8.28	\$8.28
Annual Lease Subtotal	\$3,495,000	\$3,495,000	\$3,495,000	\$5,475,000	\$5,475,000	\$5,475,000	\$5,475,000	\$5,475,000	3020000	3020000	3020000	4140000	4140000	4140000
Cost/Inbound load	\$280.05	\$280.05	\$280.05	\$233.97	\$438.70	\$438.70	\$438.70	\$438.70	\$241.99	\$241.99	\$241.99	\$331.73	\$331.73	\$331.73
Dray from Port to DC/ILC	\$477	\$446	\$406	\$125	\$250	\$156	\$493	\$588	\$537	\$537	\$125	\$175	\$200	\$588
Truck Rate to Orlando/Lakeland Retail	\$150	\$150	\$150	\$408	\$408	\$408	\$408	\$408	406	406	406	477	477	477
Truck Subtotal	\$627	\$596	\$556	\$533	\$658	\$564	\$901	\$994	\$943	\$531	\$652	\$677	\$1,065	
Total Annual Lease and Truck Cost	\$11,319,960	\$10,933,080	\$10,433,880	\$12,126,840	\$13,686,840	\$12,513,720	\$16,719,480	\$15,425,120	\$14,788,640	\$9,646,880	\$12,276,960	\$12,588,960	\$17,431,200	
Total Cost per container	\$907	\$876	\$836	\$767	\$1,097	\$1,003	\$1,340	\$1,236	\$1,185	\$773	\$984	\$1,009	\$1,397	
Difference to Total Least Cost	\$134.06	\$103.06	\$63.06	(\$6.01)	\$323.71	\$229.71	\$566.71	\$463.00	\$412.00	\$0.00	\$210.74	\$235.74	\$623.74	
Lease Rate Differential	\$145.99	\$176.99	\$216.99	\$239.99	\$114.99	\$208.99	(\$128.01)	(\$221.01)	(\$170.01)	\$241.99	\$120.99	\$95.99	(\$292.01)	
Gross Lease Rate/SF Needed	\$3.64	\$4.42	\$5.42	\$5.99	\$2.87	\$5.22	(\$3.20)	(\$5.52)	(\$4.24)	\$6.04	\$3.02	\$2.40	(\$7.29)	
Gross Lease Rate/SF Needed w/\$50 ILC Gate Charge Assessment				\$4.74	\$1.62	\$3.97		(\$4.44)						

Estimated Cost to Serve Tampa Retail Consumption Market:														
Port of Entry	Miami	Port Everglades	Jacksonville	Palm Beach	Miami	Port Everglades	Jacksonville	Miami	Port Everglades	Jacksonville	Miami	Port Everglades	Jacksonville	
Location of DC	Orlando	Orlando	Orlando	Palm Beach ILC	Palm Beach ILC	Palm Beach ILC	Palm Beach ILC	Jacksonville	Jacksonville	Jacksonville	Miami	Miami	Miami	
Square Footage	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000
Rate\$/year	\$6.99	\$6.99	\$6.99	\$10.95	\$10.95	\$10.95	\$10.95	\$10.95	6.04	6.04	6.04	\$8.28	\$8.28	\$8.28
Annual Lease Subtotal	\$3,495,000	\$3,495,000	\$3,495,000	\$5,475,000	\$5,475,000	\$5,475,000	\$5,475,000	\$5,475,000	3020000	3020000	3020000	4140000	4140000	4140000
Cost/Inbound load	\$280.05	\$280.05	\$280.05	\$233.97	\$438.70	\$438.70	\$438.70	\$438.70	\$241.99	\$241.99	\$241.99	\$331.73	\$331.73	\$331.73
Dray from Port to DC/ILC	\$477	\$446	\$406	\$125	\$250	\$156	\$493	\$588	\$537	\$537	\$125	\$175	\$200	\$588
Truck Rate to Tampa Retail	\$322	\$322	\$322	\$464	\$464	\$464	\$464	\$464	510	510	510	519	519	519
Truck Subtotal	\$799	\$768	\$728	\$689	\$714	\$620	\$957	\$1,098	\$1,047	\$635	\$694	\$719	\$1,107	
Total Annual Lease and Truck Cost	\$13,466,520	\$13,079,640	\$12,580,440	\$12,825,720	\$14,385,720	\$13,212,600	\$17,418,360	\$16,723,040	\$16,086,560	\$10,944,800	\$12,801,120	\$13,113,120	\$17,955,360	
Total Cost per container	\$1,079	\$1,048	\$1,008	\$823	\$1,153	\$1,059	\$1,396	\$1,340	\$1,289	\$877	\$1,026	\$1,051	\$1,439	
Difference to Total Least Cost	\$202.06	\$171.06	\$131.06	(\$54.01)	\$275.71	\$181.71	\$518.71	\$463.00	\$412.00	\$0.00	\$148.74	\$173.74	\$561.74	
Lease Rate Differential	\$77.99	\$108.99	\$148.99	\$287.99	\$162.99	\$256.99	(\$80.01)	(\$221.01)	(\$170.01)	\$241.99	\$182.99	\$157.99	(\$230.01)	
Gross Lease Rate/SF Needed	\$1.95	\$2.72	\$3.72	\$7.18	\$4.07	\$6.41	(\$2.00)	(\$5.52)	(\$4.24)	\$6.04	\$4.57	\$3.94	(\$5.74)	
Gross Lease Rate/SF Needed w/\$50 ILC Gate Charge Assessment				\$5.94	\$2.82	\$5.17	(\$3.25)							

Estimated Cost to Serve Ocala/Gainesville Retail Consumption Market:														
Port of Entry	Miami	Port Everglades	Jacksonville	Palm Beach	Miami	Port Everglades	Jacksonville	Miami	Port Everglades	Jacksonville	Miami	Port Everglades	Jacksonville	
Location of DC	Orlando	Orlando	Orlando	Palm Beach ILC	Palm Beach ILC	Palm Beach ILC	Palm Beach ILC	Jacksonville	Jacksonville	Jacksonville	Miami	Miami	Miami	
Square Footage	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000
Rate\$/year	\$6.99	\$6.99	\$6.99	\$10.95	\$10.95	\$10.95	\$10.95	\$10.95	6.04	6.04	6.04	\$8.28	\$8.28	\$8.28
Annual Lease Subtotal	\$3,495,000	\$3,495,000	\$3,495,000	\$5,475,000	\$5,475,000	\$5,475,000	\$5,475,000	\$5,475,000	3020000	3020000	3020000	4140000	4140000	4140000
Cost/Inbound load	\$280.05	\$280.05	\$280.05	\$233.97	\$438.70	\$438.70	\$438.70	\$438.70	\$241.99	\$241.99	\$241.99	\$331.73	\$331.73	\$331.73
Dray from Port to DC/ILC	\$477	\$446	\$406	\$125	\$250	\$156	\$493	\$588	\$537	\$537	\$125	\$175	\$200	\$588
Truck Rate to Ocala/Gainesville Retail	\$307	\$307	\$307	\$516	\$516	\$516	\$516	\$516	370	370	370	578	578	578
Truck Subtotal	\$784	\$753	\$713	\$641	\$766	\$672	\$1,009	\$958	\$907	\$495	\$753	\$778	\$1,166	
Total Annual Lease and Truck Cost	\$13,279,320	\$12,892,440	\$12,393,240	\$13,474,680	\$15,034,680	\$13,861,560	\$18,067,320	\$14,975,840	\$14,339,360	\$9,197,600	\$13,537,440	\$13,849,440	\$18,691,680	
Total Cost per container	\$1,064	\$1,033	\$993	\$875	\$1,205	\$1,111	\$1,448	\$1,200	\$1,149	\$737	\$1,085	\$1,110	\$1,498	
Difference to Total Least Cost	\$327.06	\$296.06	\$256.06	\$137.99	\$467.71	\$373.71	\$710.71	\$463.00	\$412.00	\$0.00	\$347.74	\$372.74	\$760.74	
Lease Rate Differential	(\$47.01)	(\$16.01)	\$23.99	\$95.99	(\$29.01)	\$64.99	(\$272.01)	(\$221.01)	(\$170.01)	\$241.99	(\$16.01)	(\$41.01)	(\$429.01)	
Gross Lease Rate/SF Needed	(\$1.17)	(\$0.40)	\$0.60	\$2.40	(\$0.72)	\$1.62	(\$6.79)	(\$5.52)	(\$4.24)	\$6.04	(\$0.40)	(\$1.02)	(\$10.71)	
Gross Lease Rate/SF Needed w/\$50 ILC Gate Charge Assessment				\$1.15	(\$1.97)	\$0.37	(\$8.04)							

Estimated Cost to Serve Jacksonville Retail Consumption Market:														
Port of Entry	Miami	Port Everglades	Jacksonville	Palm Beach	Miami	Port Everglades	Jacksonville	Miami	Port Everglades	Jacksonville	Miami	Port Everglades	Jacksonville	
Location of DC	Orlando	Orlando	Orlando	Palm Beach ILC	Palm Beach ILC	Palm Beach ILC	Palm Beach ILC	Jacksonville	Jacksonville	Jacksonville	Miami	Miami	Miami	
Square Footage	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000
Rate\$/year	\$6.99	\$6.99	\$6.99	\$10.95	\$10.95	\$10.95	\$10.95	\$10.95	6.04	6.04	6.04	\$8.28	\$8.28	\$8.28
Annual Lease Subtotal	\$3,495,000	\$3,495,000	\$3,495,000	\$5,475,000	\$5,475,000	\$5,475,000	\$5,475,000	\$5,475,000	3020000	3020000	3020000	4140000	4140000	4140000
Cost/Inbound load	\$280.05	\$280.05	\$280.05	\$233.97	\$438.70	\$438.70	\$438.70	\$438.70	\$241.99	\$241.99	\$241.99	\$331.73	\$331.73	\$331.73
Dray from Port to DC/ILC	\$477	\$446	\$406	\$125	\$250	\$156	\$493	\$588	\$537	\$537	\$125	\$175	\$200	\$588
Truck Rate to Jacksonville Retail	\$406	\$406	\$406	\$493	\$493	\$493	\$493	\$493	125	125	125	588	588	588
Truck Subtotal	\$883	\$852	\$812	\$618	\$743	\$649	\$986	\$713	\$662	\$250	\$763	\$788	\$1,176	
Total Annual Lease and Truck Cost	\$14,514,840	\$14,127,960	\$13,628,760	\$13,187,640	\$14,747,640	\$13,574,520	\$17,780,280	\$11,918,240	\$11,281,760	\$6,140,000	\$13,662,240	\$13,974,240	\$18,816,480	
Total Cost per container	\$1,163	\$1,132	\$1,092	\$852	\$1,182	\$1,088	\$1,425	\$955	\$904	\$492	\$1,095	\$1,120	\$1,508	
Difference to Total Least Cost	\$671.06	\$640.06	\$600.06	\$359.99	\$689.71	\$595.71	\$932.71	\$463.00	\$412.00	\$0.00	\$602.74	\$627.74	\$1,015.74	
Lease Rate Differential	(\$391.01)	(\$360.01)	(\$320.01)	(\$126.01)	(\$251.01)	(\$157.01)	(\$494.01)	(\$221.01)	(\$170.01)	\$241.99	(\$271.01)	(\$296.01)	(\$684.01)	
Gross Lease Rate/SF Needed	(\$3.76)	(\$8.99)	(\$7.99)	(\$3.15)	(\$6.27)	(\$3.92)	(\$12.33)	(\$5.52)	(\$4.24)	\$6.04	(\$6.76)	(\$7.39)	(\$17.07)	
Gross Lease Rate/SF Needed w/\$50 ILC Gate Charge Assessment				(\$4.39)	(\$7.51)	(\$5.17)	(\$13.58)							

Based on 500,000 Square Feet Distribution Center (continued)

Estimated Cost to Serve Miami Retail Consumption Market:

Port of Entry	Miami	Port Everglades	Jacksonville	Palm Beach	Miami	Port Everglades	Jacksonville	Miami	Port Everglades	Jacksonville	Miami	Port Everglades	Jacksonville
Location of DC	Orlando	Orlando	Orlando	Palm Beach ILC	Palm Beach ILC	Palm Beach ILC	Palm Beach ILC	Jacksonville	Jacksonville	Jacksonville	Miami	Miami	Jacksonville
Square footage	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000
Rate/sf/year	\$6.99	\$6.99	\$6.99	\$10.95	\$10.95	\$5.25	\$10.95	6.04	6.04	6.04	\$8.28	\$8.28	\$8.28
Annual Lease Subtotal	\$1,747,500	\$1,747,500	\$1,747,500	\$2,737,500	\$2,737,500	\$1,312,500	\$2,737,500	1510000	1510000	1510000	2070000	2070000	2070000
Lease Cost/Inbound Load	\$224.04	\$224.04	\$224.04	\$116.99	\$350.96	\$168.27	\$350.96	\$193.59	\$193.59	\$193.59	\$265.38	\$265.38	\$265.38
Dray from Port to DC/ILC	\$477	\$446	\$406	\$125	\$250	\$156	\$493	\$588	\$537	\$125	\$175	\$200	\$588
Truck Rate to Miami Retail	\$477	\$477	\$477	\$250	\$250	\$250	\$250	\$588	\$588	\$588	\$175	\$175	\$175
Truck Subtotal	\$954	\$923	\$883	\$375	\$500	\$406	\$743	\$1,176	\$1,125	\$713	\$350	\$375	\$763
Total Annual Lease and Truck Cost	\$9,188,700	\$8,946,900	\$8,634,900	\$5,662,500	\$6,637,500	\$4,479,300	\$8,532,900	\$10,682,800	\$10,285,000	\$7,071,400	\$4,800,000	\$4,995,000	\$8,021,400
Total Cost per Load	\$1,178	\$1,147	\$1,107	\$492	\$851	\$574	\$1,094	\$1,370	\$1,319	\$907	\$615	\$640	\$1,028
Difference to Total Least Cost	\$562.65	\$531.65	\$491.65	(\$123.40)	\$235.58	(\$41.12)	\$478.58	\$754.21	\$703.21	\$291.21	\$0.00	\$25.00	\$413.00
Lease Rate Differential per Load	(\$338.62)	(\$307.62)	(\$267.62)	\$240.38	\$115.38	(\$127.62)	(\$174.62)	(\$509.62)	(\$509.62)	(\$97.62)	\$265.38	\$240.38	(\$147.62)
Gross Lease Rate/SF Needed to Least	(\$10.56)	(\$9.60)	(\$8.35)	\$7.50	\$3.60	\$6.53	(\$3.98)	(\$17.49)	(\$15.90)	(\$3.05)	\$8.28	\$7.50	(\$4.61)
Gross Lease Rate/SF Needed w/\$50 ILC Gate Charge Assessment				\$5.94	\$2.04	\$4.97	(\$5.54)						

Estimated Cost to Serve Fort Lauderdale Retail Consumption Market:

Port of Entry	Miami	Port Everglades	Jacksonville	Palm Beach	Miami	Port Everglades	Jacksonville	Miami	Port Everglades	Jacksonville	Miami	Port Everglades	Jacksonville
Location of DC	Orlando	Orlando	Orlando	Palm Beach ILC	Palm Beach ILC	Palm Beach ILC	Palm Beach ILC	Jacksonville	Jacksonville	Jacksonville	Miami	Miami	Jacksonville
Square footage	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000
Rate/sf/year	\$6.99	\$6.99	\$6.99	\$10.95	\$10.95	\$10.95	\$10.95	6.04	6.04	6.04	\$8.28	\$8.28	\$8.28
Annual Lease Subtotal	\$1,747,500	\$1,747,500	\$1,747,500	\$2,737,500	\$2,737,500	\$2,737,500	\$2,737,500	1510000	1510000	1510000	2070000	2070000	2070000
Cost/Inbound load	\$224.04	\$224.04	\$224.04	\$116.99	\$350.96	\$350.96	\$350.96	\$193.59	\$193.59	\$193.59	\$265.38	\$265.38	\$265.38
Dray from Port to DC/ILC	\$477	\$446	\$406	\$125	\$250	\$156	\$493	\$588	\$537	\$125	\$175	\$200	\$588
Truck Rate to Ft. Lauderdale Retail	\$446	\$446	\$446	\$156	\$156	\$156	\$156	537	537	537	175	175	175
Truck Subtotal	\$923	\$892	\$852	\$281	\$406	\$312	\$649	\$1,125	\$1,074	\$662	\$350	\$375	\$763
Total Annual Lease and Truck Cost	\$8,946,900	\$8,705,100	\$8,393,100	\$4,929,300	\$5,904,300	\$5,171,100	\$7,799,700	\$10,285,000	\$9,887,200	\$6,673,600	\$4,800,000	\$4,995,000	\$8,021,400
Total Cost per container	\$1,147	\$1,116	\$1,076	\$398	\$757	\$663	\$1,000	\$1,319	\$1,268	\$856	\$615	\$640	\$1,028
Difference to Total Least Cost	\$531.65	\$500.65	\$460.65	(\$217.40)	\$141.58	\$47.58	\$384.58	\$703.21	\$652.21	\$240.21	\$0.00	\$25.00	\$413.00
Lease Rate Differential	(\$307.62)	(\$276.62)	(\$236.62)	\$334.38	\$209.38	\$209.38	(\$33.62)	(\$509.62)	(\$458.62)	(\$46.62)	\$265.38	\$240.38	(\$147.62)
Gross Lease Rate/SF Needed	(\$9.60)	(\$8.63)	(\$7.38)	\$10.43	\$6.53	\$9.47	(\$1.05)	(\$15.90)	(\$14.31)	(\$1.45)	\$8.28	\$7.50	(\$4.61)
Gross Lease Rate/SF Needed w/\$50 ILC Gate Charge Assessment				\$8.87	\$4.97	\$7.91	(\$2.61)						

Estimated Cost to Serve Fort Myers Retail Consumption Market:

Port of Entry	Miami	Port Everglades	Jacksonville	Palm Beach	Miami	Port Everglades	Jacksonville	Miami	Port Everglades	Jacksonville	Miami	Port Everglades	Jacksonville
Location of DC	Orlando	Orlando	Orlando	Palm Beach ILC	Palm Beach ILC	Palm Beach ILC	Palm Beach ILC	Jacksonville	Jacksonville	Jacksonville	Miami	Miami	Jacksonville
Square footage	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000
Rate/sf/year	\$6.99	\$6.99	\$6.99	\$10.95	\$10.95	\$10.95	\$10.95	6.04	6.04	6.04	\$8.28	\$8.28	\$8.28
Annual Lease Subtotal	\$1,747,500	\$1,747,500	\$1,747,500	\$2,737,500	\$2,737,500	\$2,737,500	\$2,737,500	1510000	1510000	1510000	2070000	2070000	2070000
Cost/Inbound load	\$224.04	\$224.04	\$224.04	\$116.99	\$350.96	\$350.96	\$350.96	\$193.59	\$193.59	\$193.59	\$265.38	\$265.38	\$265.38
Dray from Port to DC/ILC	\$477	\$446	\$406	\$125	\$250	\$156	\$493	\$588	\$537	\$125	\$175	\$200	\$588
Truck Rate to Ft. Myers Retail	\$535	\$535	\$535	\$439	\$439	\$439	\$439	614	614	614	470	470	470
Truck Subtotal	\$1,012	\$981	\$941	\$564	\$688	\$595	\$932	\$1,202	\$1,151	\$739	\$645	\$670	\$1,058
Total Annual Lease and Truck Cost	\$9,641,100	\$9,399,300	\$9,087,300	\$7,138,700	\$8,111,700	\$7,378,500	\$10,007,100	\$10,885,600	\$10,487,800	\$7,274,200	\$4,800,000	\$4,995,000	\$8,021,400
Total Cost per container	\$1,236	\$1,205	\$1,165	\$681	\$1,040	\$946	\$1,283	\$1,396	\$1,345	\$933	\$615	\$640	\$1,028
Difference to Total Least Cost	\$325.65	\$294.65	\$254.65	(\$229.40)	\$129.58	\$35.58	\$372.58	\$485.21	\$434.21	\$22.21	\$0.00	\$25.00	\$413.00
Lease Rate Differential	(\$101.62)	(\$70.62)	(\$30.62)	\$346.38	\$221.38	\$315.38	(\$21.62)	(\$291.62)	(\$240.62)	\$171.38	\$265.38	\$240.38	(\$147.62)
Gross Lease Rate/SF Needed	(\$3.17)	(\$2.20)	(\$0.98)	\$10.81	\$6.91	\$9.84	(\$0.67)	(\$9.10)	(\$7.51)	\$5.35	\$8.28	\$7.50	(\$4.61)
Gross Lease Rate/SF Needed w/\$50 ILC Gate Charge Assessment				\$9.25	\$5.35	\$8.28	(\$2.23)						

Estimated Cost to Serve Fort Pierce Retail Consumption Market:

Port of Entry	Miami	Port Everglades	Jacksonville	Palm Beach	Miami	Port Everglades	Jacksonville	Miami	Port Everglades	Jacksonville	Miami	Port Everglades	Jacksonville
Location of DC	Orlando	Orlando	Orlando	Palm Beach ILC	Palm Beach ILC	Palm Beach ILC	Palm Beach ILC	Jacksonville	Jacksonville	Jacksonville	Miami	Miami	Jacksonville
Square footage	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000
Rate/sf/year	\$6.99	\$6.99	\$6.99	\$10.95	\$10.95	\$10.95	\$10.95	6.04	6.04	6.04	\$8.28	\$8.28	\$8.28
Annual Lease Subtotal	\$1,747,500	\$1,747,500	\$1,747,500	\$2,737,500	\$2,737,500	\$2,737,500	\$2,737,500	1510000	1510000	1510000	2070000	2070000	2070000
Cost/Inbound load	\$224.04	\$224.04	\$224.04	\$116.99	\$350.96	\$350.96	\$350.96	\$193.59	\$193.59	\$193.59	\$265.38	\$265.38	\$265.38
Dray from Port to DC/ILC	\$477	\$446	\$406	\$125	\$250	\$156	\$493	\$588	\$537	\$125	\$175	\$200	\$588
Truck Rate to Ft. Pierce Retail	\$408	\$408	\$408	\$310	\$310	\$310	\$310	460	460	460	439	439	439
Truck Subtotal	\$885	\$854	\$814	\$435	\$560	\$466	\$803	\$1,048	\$997	\$585	\$614	\$639	\$1,027
Total Annual Lease and Truck Cost	\$8,650,500	\$8,408,700	\$8,096,700	\$6,130,500	\$7,105,500	\$6,372,300	\$9,000,900	\$9,684,400	\$9,286,600	\$6,073,000	\$4,800,000	\$4,995,000	\$8,021,400
Total Cost per container	\$1,109	\$1,078	\$1,038	\$552	\$911	\$817	\$1,154	\$1,242	\$1,191	\$779	\$615	\$640	\$1,028
Difference to Total Least Cost	\$330.45	\$299.45	\$259.45	(\$226.60)	\$132.37	\$38.37	\$375.37	\$463.00	\$412.00	\$0.00	\$100.79	\$125.79	\$513.79
Lease Rate Differential	(\$106.41)	(\$75.41)	(\$35.41)	\$343.59	\$218.59	\$312.59	(\$24.41)	(\$269.41)	(\$218.41)	\$193.59	\$265.38	\$240.38	(\$147.62)
Gross Lease Rate/SF Needed	(\$3.32)	(\$2.35)	(\$1.10)	\$10.72	\$6.82	\$9.75	(\$0.76)	(\$8.41)	(\$6.81)	\$6.04	\$5.14	\$4.36	(\$7.75)
Gross Lease Rate/SF Needed w/\$50 ILC Gate Charge Assessment				\$9.16	\$5.26	\$8.19	(\$2.32)						

Estimated Cost to Serve Orlando/Lakeland Retail Consumption Market:

Port of Entry	Miami	Port Everglades	Jacksonville	Palm Beach	Miami	Port Everglades	Jacksonville	Miami	Port Everglades	Jacksonville	Miami	Port Everglades	Jacksonville
Location of DC	Orlando	Orlando	Orlando	Palm Beach ILC	Palm Beach ILC	Palm Beach ILC	Palm Beach ILC	Jacksonville	Jacksonville	Jacksonville	Miami	Miami	Miami
Square footage	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000
Rate\$/sf/year	\$6.99	\$6.99	\$6.99	\$10.95	\$10.95	\$10.95	\$10.95	6.04	6.04	6.04	\$8.28	\$8.28	\$8.28
Annual Lease Subtotal	\$1,747,500	\$1,747,500	\$1,747,500	\$2,737,500	\$2,737,500	\$2,737,500	\$2,737,500	1510000	1510000	1510000	2070000	2070000	2070000
Cost/inbound load	\$224.04	\$224.04	\$224.04	\$116.99	\$350.96	\$350.96	\$350.96	\$193.59	\$193.59	\$193.59	\$265.38	\$265.38	\$265.38
Dray from Port to DC/ILC	\$477	\$446	\$406	\$125	\$250	\$156	\$493	\$588	\$537	\$125	\$175	\$200	\$588
Truck Rate to Orlando/Lakeland Retail	\$150	\$150	\$150	\$408	\$408	\$408	\$408	406	406	406	477	477	477
Truck Subtotal	\$627	\$596	\$556	\$533	\$658	\$564	\$901	\$994	\$943	\$531	\$652	\$677	\$1,065
Total Annual Lease and Truck Cost	\$6,638,100	\$6,396,300	\$6,084,300	\$6,894,900	\$7,669,900	\$7,136,700	\$9,765,300	\$9,263,200	\$8,865,400	\$5,651,800	\$7,155,600	\$7,350,600	\$10,377,000
Total Cost per container	\$851	\$820	\$780	\$650	\$1,009	\$915	\$1,252	\$1,188	\$1,137	\$725	\$917	\$942	\$1,330
Difference to Total Least Cost	\$126.45	\$95.45	\$55.45	(\$74.60)	\$284.37	\$190.37	\$527.37	\$463.00	\$412.00	\$0.00	\$192.79	\$217.79	\$605.79
Lease Rate Differential	\$97.59	\$128.59	\$168.59	\$191.59	\$66.59	\$160.59	(\$176.41)	(\$269.41)	(\$218.41)	\$193.59	\$72.59	\$47.59	(\$340.41)
Gross Lease Rate/SF Needed	\$3.04	\$4.01	\$5.26	\$5.98	\$2.08	\$5.01	(\$5.50)	(\$8.41)	(\$6.81)	\$6.04	\$2.26	\$1.48	(\$10.62)
Gross Lease Rate/SF Needed w/\$50 ILC Gate Charge Assessment				\$4.42	\$0.52	\$3.45	(\$7.06)						

Estimated Cost to Serve Tampa Retail Consumption Market:

Port of Entry	Miami	Port Everglades	Jacksonville	Palm Beach	Miami	Port Everglades	Jacksonville	Miami	Port Everglades	Jacksonville	Miami	Port Everglades	Jacksonville
Location of DC	Orlando	Orlando	Orlando	Palm Beach ILC	Palm Beach ILC	Palm Beach ILC	Palm Beach ILC	Jacksonville	Jacksonville	Jacksonville	Miami	Miami	Miami
Square footage	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000
Rate\$/sf/year	\$6.99	\$6.99	\$6.99	\$10.95	\$10.95	\$10.95	\$10.95	6.04	6.04	6.04	\$8.28	\$8.28	\$8.28
Annual Lease Subtotal	\$1,747,500	\$1,747,500	\$1,747,500	\$2,737,500	\$2,737,500	\$2,737,500	\$2,737,500	1510000	1510000	1510000	2070000	2070000	2070000
Cost/inbound load	\$224.04	\$224.04	\$224.04	\$116.99	\$350.96	\$350.96	\$350.96	\$193.59	\$193.59	\$193.59	\$265.38	\$265.38	\$265.38
Dray from Port to DC/ILC	\$477	\$446	\$406	\$125	\$250	\$156	\$493	\$588	\$537	\$125	\$175	\$200	\$588
Truck Rate to Tampa Retail	\$322	\$322	\$322	\$464	\$464	\$464	\$464	510	510	510	519	519	519
Truck Subtotal	\$799	\$768	\$728	\$589	\$714	\$620	\$957	\$1,098	\$1,047	\$635	\$694	\$719	\$1,107
Total Annual Lease and Truck Cost	\$7,979,700	\$7,737,900	\$7,425,900	\$7,331,700	\$8,306,700	\$7,573,500	\$10,202,100	\$10,074,400	\$9,676,600	\$6,463,000	\$7,483,200	\$7,678,200	\$10,704,600
Total Cost per container	\$1,023	\$992	\$952	\$706	\$1,065	\$971	\$1,308	\$1,292	\$1,241	\$829	\$959	\$984	\$1,372
Difference to Total Least Cost	\$194.45	\$163.45	\$123.45	(\$122.60)	\$236.37	\$142.37	\$479.37	\$463.00	\$412.00	\$0.00	\$130.79	\$155.79	\$543.79
Lease Rate Differential	\$29.59	\$60.59	\$100.59	\$239.59	\$114.59	\$208.59	(\$128.41)	(\$269.41)	(\$218.41)	\$193.59	\$134.59	\$109.59	(\$278.41)
Gross Lease Rate/SF Needed	\$0.92	\$1.89	\$3.14	\$7.48	\$3.58	\$6.51	(\$4.01)	(\$8.41)	(\$6.81)	\$6.04	\$4.20	\$3.42	(\$8.69)
Gross Lease Rate/SF Needed w/\$50 ILC Gate Charge Assessment				\$5.92	\$2.02	\$4.95	(\$5.57)						

Estimated Cost to Serve Ocala/Gainesville Retail Consumption Market:

Port of Entry	Miami	Port Everglades	Jacksonville	Palm Beach	Miami	Port Everglades	Jacksonville	Miami	Port Everglades	Jacksonville	Miami	Port Everglades	Jacksonville
Location of DC	Orlando	Orlando	Orlando	Palm Beach ILC	Palm Beach ILC	Palm Beach ILC	Palm Beach ILC	Jacksonville	Jacksonville	Jacksonville	Miami	Miami	Miami
Square footage	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000
Rate\$/sf/year	\$6.99	\$6.99	\$6.99	\$10.95	\$10.95	\$10.95	\$10.95	6.04	6.04	6.04	\$8.28	\$8.28	\$8.28
Annual Lease Subtotal	\$1,747,500	\$1,747,500	\$1,747,500	\$2,737,500	\$2,737,500	\$2,737,500	\$2,737,500	1510000	1510000	1510000	2070000	2070000	2070000
Cost/inbound load	\$224.04	\$224.04	\$224.04	\$116.99	\$350.96	\$350.96	\$350.96	\$193.59	\$193.59	\$193.59	\$265.38	\$265.38	\$265.38
Dray from Port to DC/ILC	\$477	\$446	\$406	\$125	\$250	\$156	\$493	\$588	\$537	\$125	\$175	\$200	\$588
Truck Rate to Ocala/Gainesville Retail	\$307	\$307	\$307	\$516	\$516	\$516	\$516	370	370	370	578	578	578
Truck Subtotal	\$784	\$753	\$713	\$641	\$766	\$672	\$1,009	\$958	\$907	\$495	\$753	\$778	\$1,166
Total Annual Lease and Truck Cost	\$7,862,700	\$7,620,900	\$7,308,900	\$7,737,300	\$8,712,300	\$7,979,100	\$10,607,700	\$8,982,400	\$8,584,600	\$5,371,000	\$7,943,400	\$8,138,400	\$11,164,800
Total Cost per container	\$1,008	\$977	\$937	\$758	\$1,117	\$1,023	\$1,360	\$1,152	\$1,101	\$689	\$1,018	\$1,043	\$1,431
Difference to Total Least Cost	\$319.45	\$288.45	\$248.45	\$69.40	\$428.37	\$334.37	\$671.37	\$463.00	\$412.00	\$0.00	\$329.79	\$354.79	\$742.79
Lease Rate Differential	(\$95.41)	(\$64.41)	(\$24.41)	\$47.59	(\$77.41)	\$16.59	(\$320.41)	(\$269.41)	(\$218.41)	\$193.59	(\$64.41)	(\$89.41)	(\$477.41)
Gross Lease Rate/SF Needed	(\$2.96)	(\$2.01)	(\$0.76)	\$1.48	(\$2.42)	\$0.52	(\$10.00)	(\$8.41)	(\$6.81)	\$6.04	(\$2.01)	(\$2.79)	(\$14.90)
Gross Lease Rate/SF Needed w/\$50 ILC Gate Charge Assessment				(\$0.08)	(\$3.98)	(\$1.04)	(\$11.56)						

Estimated Cost to Serve Jacksonville Retail Consumption Market:

Port of Entry	Miami	Port Everglades	Jacksonville	Palm Beach	Miami	Port Everglades	Jacksonville	Miami	Port Everglades	Jacksonville	Miami	Port Everglades	Jacksonville
Location of DC	Orlando	Orlando	Orlando	Palm Beach ILC	Palm Beach ILC	Palm Beach ILC	Palm Beach ILC	Jacksonville	Jacksonville	Jacksonville	Miami	Miami	Miami
Square footage	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000
Rate\$/sf/year	\$6.99	\$6.99	\$6.99	\$10.95	\$10.95	\$10.95	\$10.95	6.04	6.04	6.04	\$8.28	\$8.28	\$8.28
Annual Lease Subtotal	\$1,747,500	\$1,747,500	\$1,747,500	\$2,737,500	\$2,737,500	\$2,737,500	\$2,737,500	1510000	1510000	1510000	2070000	2070000	2070000
Cost/inbound load	\$224.04	\$224.04	\$224.04	\$116.99	\$350.96	\$350.96	\$350.96	\$193.59	\$193.59	\$193.59	\$265.38	\$265.38	\$265.38
Dray from Port to DC/ILC	\$477	\$446	\$406	\$125	\$250	\$156	\$493	\$588	\$537	\$125	\$175	\$200	\$588
Truck Rate to Jacksonville Retail	\$406	\$406	\$406	\$493	\$493	\$493	\$493	125	125	125	588	588	588
Truck Subtotal	\$883	\$852	\$812	\$618	\$743	\$649	\$986	\$713	\$662	\$346	\$763	\$788	\$1,176
Total Annual Lease and Truck Cost	\$8,634,900	\$8,393,100	\$8,081,100	\$7,557,900	\$8,532,900	\$7,799,700	\$10,428,300	\$7,071,400	\$6,673,600	\$3,460,000	\$8,021,400	\$8,216,400	\$11,242,800
Total Cost per container	\$1,107	\$1,076	\$1,036	\$735	\$1,094	\$1,000	\$1,337	\$907	\$856	\$444	\$1,028	\$1,053	\$1,441
Difference to Total Least Cost	\$663.45	\$632.45	\$592.45	\$291.40	\$950.37	\$556.37	\$893.37	\$463.00	\$412.00	\$0.00	\$584.79	\$609.79	\$977.79
Lease Rate Differential	(\$439.41)	(\$408.41)	(\$368.41)	(\$174.41)	(\$299.41)	(\$205.41)	(\$542.41)	(\$269.41)	(\$218.41)	\$193.59	(\$319.41)	(\$344.41)	(\$732.41)
Gross Lease Rate/SF Needed	(\$13.71)	(\$12.74)	(\$11.49)	(\$5.44)	(\$9.34)	(\$6.43)	(\$18.92)	(\$8.41)	(\$6.81)	\$6.04	(\$9.97)	(\$10.75)	(\$22.85)
Gross Lease Rate/SF Needed w/\$50 ILC Gate Charge Assessment				(\$7.00)	(\$10.90)	(\$7.97)	(\$18.48)						

Intermodal Cost Comparison to Southbound Truck 250,000 Square Feet Facility

INTERMODAL RAIL COST COMPARISON

Estimated Cost to Serve Miami Retail Consumption Market (Southbound Rates):									
Port of Entry	Palm Beach	Miami	Port Everglades	Jacksonville	Miami	Port Everglades	Jacksonville	Jacksonville	Jacksonville
Location of DC	Palm Beach ILC	Palm Beach ILC	Palm Beach ILC	Palm Beach ILC	Miami	Miami	Miami	Miami	Palm Beach ILC
Square footage	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000
Rate\$/year	\$10.95	\$10.95	\$10.95	\$10.95	\$8.28	\$8.28	\$8.28	\$8.28	\$10.95
Annual Lease Subtotal	\$2,737,500	\$2,737,500	\$2,737,500	\$2,737,500	\$2,070,000	\$2,070,000	\$2,070,000	\$2,070,000	\$2,737,500
Lease Cost/Inbound Load	\$116.99	\$116.99	\$116.99	\$116.99	\$88	\$88	\$88	\$88	\$116.99
Dray/Rail from Port to DC/ILC	\$125	\$250	\$156	\$877	\$175	\$200	\$1,019	\$650	\$325
Truck Rate to Miami Retail	\$250	\$250	\$250	\$250	\$175	\$175	\$175	\$175	\$250
Truck/Rail Subtotal	\$375	\$500	\$406	\$1,127	\$350	\$375	\$1,194	\$825	\$575
Total Annual Lease and Truck Cost	\$11,512,500	\$14,437,500	\$12,237,900	\$29,109,300	\$10,260,000	\$10,845,000	\$30,009,600	\$21,375,000	\$16,192,500
Total Cost per Load	\$492	\$617	\$523	\$1,244	\$438	\$463	\$1,282	\$913	\$692
Difference to Total Least Cost	\$53.53	\$178.53	\$84.53	\$805.53	\$0.00	\$25.00	\$844.00	\$475.00	\$253.53

Estimated Cost to Serve Fort Lauderdale Retail Consumption Market (Southbound Rates):									
Port of Entry	Palm Beach	Miami	Port Everglades	Jacksonville	Miami	Port Everglades	Jacksonville	Jacksonville	Jacksonville
Location of DC	Palm Beach ILC	Palm Beach ILC	Palm Beach ILC	Palm Beach ILC	Miami	Miami	Miami	Miami	Palm Beach ILC
Square footage	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Rate\$/year	\$10.95	\$10.95	\$10.95	\$10.95	\$8.28	\$8.28	\$8.28	\$8.28	\$10.95
Annual Lease Subtotal	\$10,950,000	\$10,950,000	\$10,950,000	\$10,950,000	\$8,280,000	\$8,280,000	\$8,280,000	\$8,280,000	\$10,950,000
Cost/Inbound load	\$467.95	\$467.95	\$467.95	\$467.95	\$353.85	\$353.85	\$353.85	\$353.85	\$467.95
Dray/Rail from Port to DC/ILC	\$125	\$250	\$156	\$493	\$175	\$200	\$1,019	\$650	\$325
Truck Rate to Ft. Lauderdale Retail	\$156	\$156	\$156	\$156	\$175	\$175	\$175	\$175	\$156
Truck/Rail Subtotal	\$281	\$406	\$312	\$649	\$350	\$375	\$1,194	\$825	\$461
Total Annual Lease and Truck Cost	\$17,525,400	\$20,450,400	\$18,259,800	\$26,136,600	\$16,470,000	\$17,095,000	\$36,219,600	\$27,585,000	\$22,205,400
Total Cost per Load	\$749	\$874	\$780	\$1,117	\$704	\$729	\$1,548	\$1,179	\$949
Difference to Total Least Cost	\$45.10	\$170.10	\$76.10	\$413.10	\$0.00	\$25.00	\$844.00	\$475.00	\$245.10

Estimated Cost to Serve Fort Myers Retail Consumption Market (Southbound Rates):									
Port of Entry	Palm Beach	Miami	Port Everglades	Jacksonville	Miami	Port Everglades	Jacksonville	Jacksonville	Jacksonville
Location of DC	Palm Beach ILC	Palm Beach ILC	Palm Beach ILC	Palm Beach ILC	Miami	Miami	Miami	Miami	Palm Beach ILC
Square footage	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Rate\$/year	\$10.95	\$10.95	\$10.95	\$10.95	\$8.28	\$8.28	\$8.28	\$8.28	\$10.95
Annual Lease Subtotal	\$10,950,000	\$10,950,000	\$10,950,000	\$10,950,000	\$8,280,000	\$8,280,000	\$8,280,000	\$8,280,000	\$10,950,000
Cost/Inbound load	\$467.95	\$467.95	\$467.95	\$467.95	\$353.85	\$353.85	\$353.85	\$353.85	\$467.95
Dray/Rail from Port to DC/ILC	\$125	\$250	\$156	\$493	\$175	\$200	\$1,019	\$650	\$325
Truck Rate to Ft. Myers Retail	\$548	\$548	\$548	\$548	\$587	\$587	\$587	\$587	\$548
Truck/Rail Subtotal	\$673	\$798	\$704	\$1,041	\$762	\$787	\$1,606	\$1,237	\$873
Total Annual Lease and Truck Cost	\$26,698,200	\$29,623,200	\$27,423,600	\$35,309,400	\$26,110,600	\$26,695,800	\$45,860,400	\$37,225,800	\$31,378,200
Total Cost per Load	\$1,141	\$1,266	\$1,172	\$1,509	\$1,116	\$1,141	\$1,960	\$1,591	\$1,341
Difference to Total Least Cost	\$25.10	\$150.10	\$56.10	\$393.10	\$0.00	\$25.00	\$844.00	\$475.00	\$225.10

Estimated Cost to Serve Fort Pierce Retail Consumption Market (Southbound Rates):									
Port of Entry	Palm Beach	Miami	Port Everglades	Jacksonville	Miami	Port Everglades	Jacksonville	Jacksonville	Jacksonville
Location of DC	Palm Beach ILC	Palm Beach ILC	Palm Beach ILC	Palm Beach ILC	Miami	Miami	Miami	Miami	Palm Beach ILC
Square footage	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Rate\$/year	\$10.95	\$10.95	\$10.95	\$10.95	\$8.28	\$8.28	\$8.28	\$8.28	\$10.95
Annual Lease Subtotal	\$10,950,000	\$10,950,000	\$10,950,000	\$10,950,000	\$8,280,000	\$8,280,000	\$8,280,000	\$8,280,000	\$10,950,000
Cost/Inbound load	\$467.95	\$467.95	\$467.95	\$467.95	\$353.85	\$353.85	\$353.85	\$353.85	\$467.95
Dray/Rail from Port to DC/ILC	\$125	\$250	\$156	\$493	\$175	\$200	\$588	\$650	\$325
Truck Rate to Ft. Pierce Retail	\$387	\$387	\$387	\$387	\$48	\$48	\$48	\$48	\$387
Truck/Rail Subtotal	\$512	\$637	\$543	\$880	\$723	\$748	\$1,136	\$1,198	\$712
Total Annual Lease and Truck Cost	\$22,930,800	\$25,855,800	\$23,656,200	\$31,542,000	\$25,198,200	\$25,783,200	\$34,862,400	\$36,313,200	\$27,610,800
Total Cost per Load	\$980	\$1,105	\$1,011	\$1,348	\$1,077	\$1,102	\$1,490	\$1,552	\$1,180
Difference to Total Least Cost	(\$95.90)	\$28.10	(\$65.90)	\$271.10	\$0.00	\$25.00	\$413.00	\$475.00	\$103.10