Although the period of Reconstruction (1865-1877) had resulted in Florida rejoining the United States, many Floridians found themselves cut off from the rest of the country. Florida had few roads and needed to build more railroads. Unfortunately, the state was in debt from the Civil War and had no finances with which to expand.

Northern businessmen, however, did have money and saw investment opportunities in Florida. In 1881, a man by the name of Hamilton Disston bought 4 million acres of land from Orlando to Lake Okeechobee for 25 cents an acre. This single investment helped get Florida out of debt and back on the road to building!

A year later, Henry B. Plant began building railroads throughout the state of Florida. He also connected Florida’s railways to Georgia, opening the way for interstate trading and travel. He constructed many hotels along the railways. His most famous hotel was the Tampa Bay Hotel, which was built at a cost of nearly 3 million dollars. It was the most modern hotel in Florida at the time with 500 rooms and electric lights. Plant also owned and operated many steamboats and he continued building in Florida throughout the late 1800s.

An entrepreneur by the name of William Chipley built railroads that linked the Panhandle region with the rest of Florida. This enabled the goods being shipped to the Pensacola ports to be sent to the rest of the state by rail.
Henry M. Flagler settled in the east coast town of St. Augustine. He built its first big hotel, the Ponce de León, which was the most luxurious of its time. To encourage people to visit, he built railroads to help connect St. Augustine and Daytona Beach to railways that could bring guests all the way from New York. Flagler also developed the resort town of Palm Beach and connected it, of course, by railroads.

By 1900, Florida had more than 3,000 miles of railroad and its transportation problems had been solved. Its economy thriving, Florida's growth had only just begun.

An extensive railroad system opened up many areas of Florida for development.