Pinellas County is located on the central west coast of Florida, is part of the Tampa-St.Petersburg-Clearwater MSA, and is bordered to the north by Pasco County, to the south by Manatee County, to the east by Hillsborough County and Tampa Bay and to the west by the Gulf of Mexico. The land area of Pinellas is about 280 square miles making it the 2nd smallest county in the State of Florida. The county features 35 miles of beaches and 580 miles of coastline. The MSA includes the counties of Pinellas, Hillsborough, Pasco, Polk, and Hernando; however, the population is concentrated in Pinellas and Hillsborough counties. The county features 24 municipalities with the largest city being St. Petersburg and the County seat located in Clearwater.

Population

Based on information provided by the State of Florida Office of Economic and Demographic Research, as of 2010, Pinellas County was the fifth most populous county in the state with a population of 921,482. This is below the 2000 census of 916,542, indicating a negative 0.5% annual growth during this time, which was well below the state’s growth of 17.6% during this same period.

Employment

According to the Bureau of Labor Statistics (labormarketinfo.com) employment trends for both Pinellas County and the State of Florida have followed a similar pattern since 2000, and from 2002 to 2006 this pattern was very positive as the unemployment rate steadily decreased to
below of 3% in 2006. However in the beginning of 2007 the unemployment rate in Pinellas began a steep climb to a height of 12.3% in January 2010. The 2012 data indicates a decrease to 7.6%. The unemployment rate for the last ten years is shown in the chart below.
**Major Employers:** The following chart lists major private employers in Pinellas County.

<table>
<thead>
<tr>
<th>Major Private Sector employers</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Home Shopping Network</td>
<td>2,800</td>
</tr>
<tr>
<td>Raymond James</td>
<td>2,600</td>
</tr>
<tr>
<td>Bright House Networks</td>
<td>2,000</td>
</tr>
<tr>
<td>Fidelity Information Services</td>
<td>1,800</td>
</tr>
<tr>
<td>Neilson Media Research</td>
<td>1,800</td>
</tr>
<tr>
<td>Jabil Circuit, Inc.</td>
<td>1,600</td>
</tr>
<tr>
<td>Tech Data Corp.</td>
<td>1,600</td>
</tr>
<tr>
<td>Honeywell Aerospace</td>
<td>1,500</td>
</tr>
<tr>
<td>Think Direct Marketing Group</td>
<td>1,000</td>
</tr>
<tr>
<td>Ceridian Benefits Services</td>
<td>1,000</td>
</tr>
</tbody>
</table>

*Source: Pinellas County Economic Development 2012*

### Income

Personal income is also a significant factor in determining the real estimated demand in a given market. Pinellas County's per capita income has historically achieved a growth rate similar to that of the United States.

According to Site to Do Business (stdbonline.com), from 2000 to 2010, Pinellas County has achieved per capita income growth at an average annual rate of 2.1%. The county’s per capita income is projected to grow at an annual rate of 2.1% from 2010 through 2015. From 2000 through 2010, the average rate of growth for the state of Florida was slightly less than Pinellas County at 2.0%, with a projected growth of 2.1% over the next 5 years.
**Housing**

From 2006 through 2008, single family and multifamily permits issued in Pinellas County decreased overall. In 2009, there was a substantial amount of multifamily building permits issued, but that number has since decreased to 0 permits being issued in the first part of 2012. Single family permits hit a bottom in 2009, but have increased annually since then. There were 445 single family home permits in Pinellas County between January and November 2012, compared to 308 single family homes in the same time period in 2011. Multi-family housing units have seen a larger gain, with 1,072 permits between January and November 2012, compared to 14 multi-family units in the same time period in 2011. This is a positive sign for housing recovery in Pinellas County.

**Governmental and Political Characteristics**

Pinellas County government consists of a seven member Board of Commissioners elected to four-year terms. Chairmen are elected annually. The BCC are given the authority by the State constitution to adopt local ordinances, approve the County budget and set millages for all departments under the County Administrator and the Constitutional Officers, and to make decisions on long range planning and future growth for Pinellas County.

The Board governs all unincorporated areas of the county directly; however municipalities may call upon the County for specialized services. There are 24 incorporated municipalities in the county ranging in population from 59 to 249,068. The largest municipalities include St. Petersburg, Clearwater, Largo, and Pinellas Park. A large number of the smaller municipalities are situated on the barrier islands along the county’s west coast.

The state of Florida and its municipalities do not levy personal income taxes; however a major source of county and state revenue is from property taxes. Residential property owners receive a homestead exemption on their primary residences. The homestead exemption is a constitutional benefit of a $25,000 exemption from the property’s assessed value. It is granted to those applicants with legal or beneficial title in equity to real property as recorded in official records who are bona fide Florida residents living in a dwelling and making it their permanent home on January 1 of the taxable year. The exemption results in approximately a $500 savings to Florida residents on their property tax.

On January 29, 2008, Florida voters approved an additional $25,000 homestead exemption to be applied to the value between $50,000 and $75,000. If a home is worth $75,000 or more, the owner would receive the full exemption benefit. If the home is worth between $50,000 and $75,000, he or she would receive a pro-rated exemption amount. This exemption does not apply to school taxes. No additional application is required. Property taxes are anticipated to increase in future years to help fund infrastructure costs.
Education

The Pinellas County School Board District is the seventh largest district in Florida and the 21st largest in the United States. With 141 elementary, middle, high and specialty public schools, the district serves all of Pinellas County. The School Board is independent of the Board of County Commissioners, and levies its own millage in order to purchase textbooks, pay teachers, and keep classrooms and other facilities in good condition. This board administers the school Choice Program, which allows parents the opportunity to determine where their children will attend class. Higher education is offered by St. Petersburg College, Eckerd College and Stetson University College of Law. St. Petersburg College (formerly St. Petersburg Junior College), is a commuter college with no resident students. The accredited college is primarily a two year college, however does offer 4-year bachelor degrees in some areas. There are nine separate campuses throughout Pinellas County. Eckerd College is a private, coeducational college of liberal arts and sciences related by covenant to the Presbyterian Church (USA). Stetson University College of Law is fully accredited by the Florida Bar Association and was founded in 1900 as Florida’s first law school.

Transportation

St. Petersburg-Clearwater International Airport sits on 2,000 acres and is centrally located north of St. Petersburg on the east coast of mid-Pinellas County. The airport features one 9,730-foot runway and two 5,500-foot runways and is home of the busiest Coast Guard Air station in the world. In 2006 less than 400,000 passengers passed through the airport, which reflected its lowest level in 15 years. This was due to the airport losing its two largest carriers in Southeast Airlines and America Trans Air. However, in November 2006, Allegiant Air began airline service out of the airport, as a result the passenger traffic numbers increased to 776,087 in 2010. In addition the airport recently went under a $9.5 million renovation, which included creating more seating space for departing travelers, expanding ticket counters, replacing old piping, and adding jet loading bridges.

Major roadways serving Pinellas County include Interstate 275 and U.S. Highway 19. Interstate 275 is a limited access highway that extends off Interstate 75. I-275 begins just south of the Hillsborough-Pasco County Line and extends southward through Tampa, westward across Tampa Bay (Howard Frankland Bridge), and southward again along the eastern section of Pinellas County. I-275 then extends across Tampa Bay again (Suncoast Skyway Bridge), to Manatee County where it rejoins I-75, which is the major north/south highway on Florida’s west coast.

U.S. Highway 19 is a major north/south artery that extends from Manatee County to the south, over the Sunshine Skyway Bridge, through the western section of Pinellas County, then along the west coast of Florida and into Georgia. The six-lane, divided roadway has been improved
with overpasses at many intersections throughout Pinellas County to help traffic congestion
problems associated with major intersections. Most of the land uses along U.S. Highway 19 are
commercial in nature, with several large community shopping centers, restaurants, and “big
box” retail centers constructed during the last 15 to 20 years.

Pinellas County is connected with Hillsborough County via three causeway bridges, including
the Howard Frankland Bridge (Interstate 275), the Courtney Campbell Causeway (State Route
60) across upper Tampa Bay, and the Gandy Bridge (U.S. Highway 92), which connects the
south end of Tampa with northern St. Petersburg. The Sunshine Skyway Bridge (I-275)
provides direct access from St. Petersburg to Bradenton and I-75 in Manatee County.

Quality of Life

Medical facilities in Pinellas County include Morton Plant Hospital (Clearwater, Palm Harbor,
and Dunedin), All Children’s Hospital (St. Petersburg), All Women’s Health Center (St.
Petersburg), Northside Hospital and Heart Institute (St. Petersburg), St. Petersburg General
Hospital (St. Petersburg), and Largo Medical Center (Largo). Additionally, several nursing and
convalescent homes serve the area.

A wide variety of recreational activities are available year round due to the subtropical climate
that the County enjoys. Tempered by the Gulf of Mexico breezes, the county experiences an
annual mean temperature of 73.7 degrees F and enjoys 361 days of sunshine on average.
There are 244 miles of shoreline and 35 miles of white sandy beaches primarily along the
barrier islands. Pinellas County is home to Caladesi Beach, America’s #2 beach in 2006 and
2007 and Fort De Soto Park, America’s #1 beach in 2005. Swimming, fresh and salt-water
fishing, and boating are but a few of the outdoor activities available. The Pinellas Trail, a 47-
mile hiking/biking trail, connects St. Petersburg with central and north Pinellas County, and is
the longest urban linear trail in the Eastern U.S. In addition, the county boasts a number of
outstanding golf courses of varying layouts and handicaps and the county maintains 4,159
acres for parks and recreation.

Organized activities within the County are also abundant. Recurring annual events include
Clearwater Jazz Holiday, Get Downtown St. Petersburg, St. Petersburg Air Fest, Ribfest, and
the St. Pete Beach Lighted Boat Parade. St. Petersburg is home to Major League Baseball’s
Tampa Bay Devil Rays and Clearwater and Dunedin serve as the spring training homes to the
Philadelphia Phillies and the Toronto Blue Jays respectively. In addition, the Honda Grand Prix
of St. Petersburg has been held in the streets of Downtown St. Petersburg for the last seven
years. In 2011, 150,000± spectators attended the event.

Pinellas County is convenient to most of the major tourist attractions in Florida. Busch Gardens,
one of the largest tourist attractions in the state, is located in adjacent Hillsborough County.
Disney World and other related attractions are typically less than a two-hour drive east on Interstate 4.

**Summary and Conclusion**

Despite negative factors regarding unemployment and the downturn in both the residential and commercial real estate markets and the credit crisis, the overall long term economic outlook for Pinellas County and the State of Florida is still positive. Total population for both areas is projected to increase slightly. More importantly, both areas are projected to experience employment growth in the future. Based on this analysis, it is anticipated that the State of Florida and Pinellas County will continue to grow and prosper, albeit at a slower pace than at the height of the real estate market of a few years ago. In time, the expected growth should provide an economic base that supports demand for real estate in the subject neighborhood and for the subject property. These conditions should stimulate increases in general property values over the long term.