

Pinellas County Area Analysis



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.

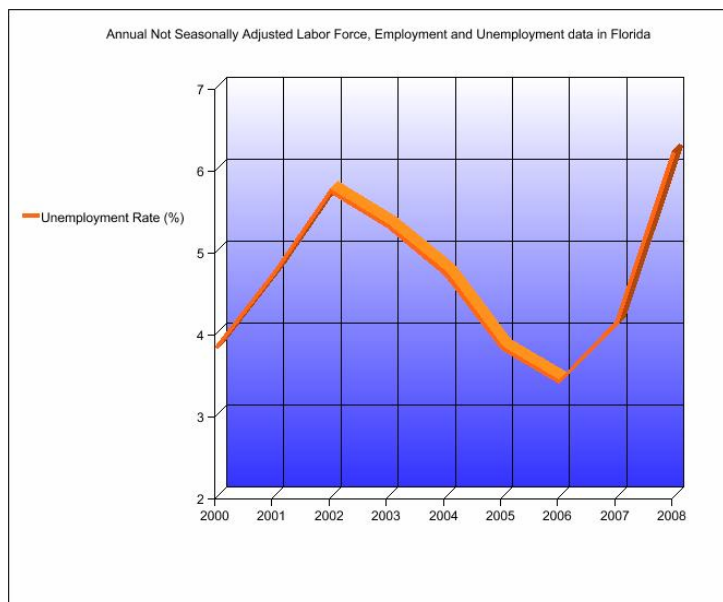
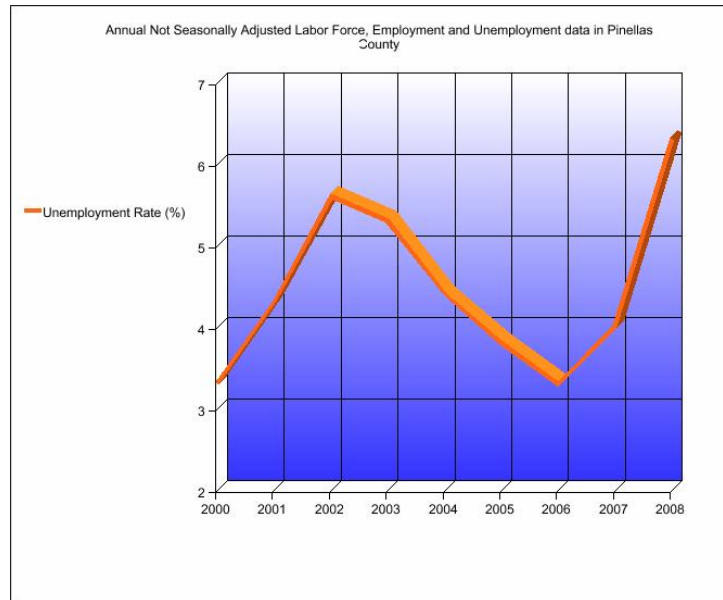
Population

According to the Florida Research and Economic Database (fred.labormarketinfo.com), as of 2008, Pinellas County's population was 938,461, which was down 5,738 persons from 2007 (944,199). This reflects a 0.61% decrease over a 1-year period compared to the state as a whole, whose population increased 0.68% from 2007 to 2008. The 2008 population ranks Pinellas County the 6th largest out of Florida's 67 counties and Pinellas ranks 1st in population density. Pinellas County's median age of residents has been steadily increasing. According to the Site to Do Business (stdbonline.com) the median age was 43.1 in 2000 and increased to 46.4 in 2008. The projected median age for 2013 is 48.2. For the State of Florida, the median age was 38.7 in 2000 and increased to 41.0 in 2008. The projected median age for 2013 is 42.2. While Pinellas County is almost completely built out with a limited supply of vacant land,

the county is anticipated to experience long term continued growth, particularly through redevelopment, however at lower rates than those experienced in the past.

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 through 2006 this pattern was very positive as the unemployment rate steadily decreased. However, the unemployment rate began to increase in early 2007 and this trend has continued into 2009.



The current (June 2009) unemployment rate for the State of Florida is 10.8%. As comparison, the unemployment rate for the state in June 2008 was 6.1%. In Pinellas County the June 2009 unemployment rate was 10.9%, up from 6.0% in June 2008.

Major Employers: The following chart lists major private employers in Pinellas County.

Major Pinellas County Businesses (Private)	
	All Children's Health Systems
	Bayfront Medical Center
	Marine Max
	Morton Plant Hospital
	Valpak
	Fidelity
	Home Shopping Network
	Jabil
	Raymond James
	Barnett Recovery Systems
	Special Data Processing
	St. Anthony's Hospital
	Freedom Village
	Tech Data Corp.
	Times Publishing
	Western Reserve Life Assurance
<i>Source: Pinellas County Economic Development (www.pced.org)- 06/18/2008</i>	

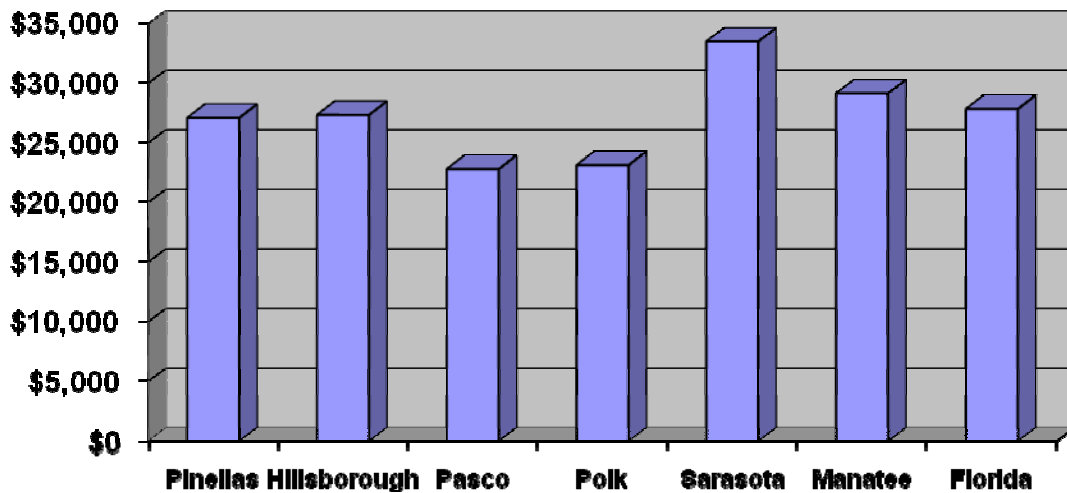
Income

Personal income is also a significant factor in determining the real estimate 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 the Florida Legislature Office of Economic and Demographic Research, from 2000 to 2006, Pinellas County has achieved per capita income growth at an average annual

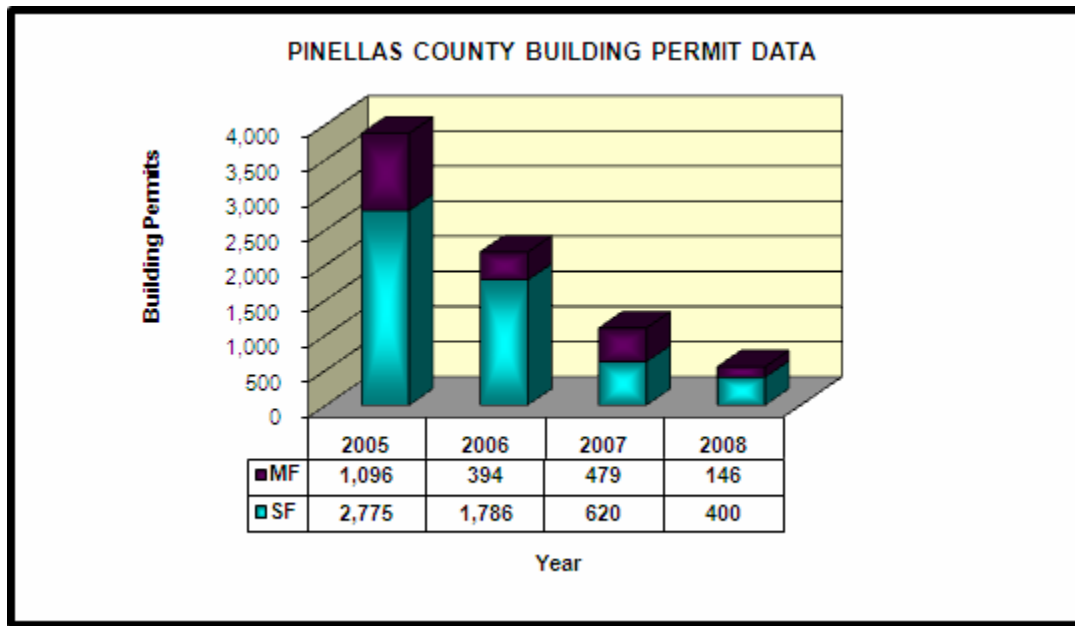
compound rate of 3.87%. For the same time period, the average annual compound rate of growth for Florida was 3.68% and 3.00% for the United States.

Per Capita Income (2008) The following chart compares the per capita income of Pinellas County with surrounding counties including Hillsborough, Pasco, Polk, Sarasota, and Manatee counties and the state of Florida average. *(Site to do Business)*



Housing

From 2005 through 2007, there were 7,150 single family and multifamily permits issued in Pinellas County. From 2001 to 2005, the trend indicated a steady increase in housing starts. At the end of 2005 the residential market began to slow down, and this trend has continued through 2008. The permits issued in 2006 (2,180) reflect a 43.7% decrease from 2005 (3,871). Permits issued decreased 49.6% from 2006 to 2007 (1,099) and another 50.3% from 2007 to 2008 (546). This downward trend is expected to continue in the short term (1 to 2 years), as there is currently an abundance of inventory on the market.



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 742,380 in 2008. In addition the airport is currently undergoing a \$9.5 million renovation, which includes 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 in 2003, 2005, 2006, and 2007. In 2007, 125,000 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 the state is expected to increase albeit not at the rates it did in the 1990s and early 2000s. However the county's population is projected to remain pretty similar to its current level due primarily to the limited amount of available vacant land. 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.