

HISTORY

In the early 16th century the Clearwater area was known for its many fresh water springs that bubbled up along the shoreline. The Timucuan Indians called this area "Pocotopaug" meaning "Clear Water".

In 1528 Panfilo de Narvaez, a Spanish explorer, landed with 600 soldiers and 5 ships, which was 15 years after Ponce de Leon had discovered Florida. Narvaez and his soldiers were in search of gold, but didn't find any and soon left the area.

European explorers soon fled to the area. Dr. Odet Philippe, a French surgeon in Napoleon's navy, was one of the first white settlers to venture into this hostile area in the mid-1830's. His plantation was built on the area that is now known as Philippe Park.

In 1841, the famous Fort Harrison was built as a base to care for wounded soldiers who were fighting the Indians. This building was named after the 9th President of the United States—William Henry Harrison. This fort was abandoned when the Seminole War of 1842 ended.

Shortly thereafter, the government opened the land for homesteading. Land was granted to settlers willing to bear arms for protection against the hostile Indians hiding in the area. One of the first settlers was James Stevens, known as the "Father of Clearwater." He was granted the first land title, which included the Fort Harrison and hundreds of acres surrounding the fort, much of this is now known as Downtown Clearwater.

In 1850 the first school was built. The post office opened in 1859 and a Baptist minister established the first newspaper in 1873. The settlement, known as Clear Water Harbor, grew slowly for many years as an agricultural and fishing community. The only outside contact came from Tampa either by horse-and-buggy or by foot. Sailing schooners brought mail and supplies south from Cedar Key.

Clear Water Harbor was incorporated in 1891. The first public dock was constructed at the foot of Cleveland Street in 1902. In 1911, the first City Hall was built at 29 North Fort Harrison Avenue. A few years later Clear Water Harbor received a special charter and on May 15, 1915, Clearwater was officially chartered as a municipality.

COMMUNITY PROFILE

CITY OVERVIEW

Clearwater is situated on the Pinellas Peninsula midway on Florida's west coast. It is directly located on the Gulf of Mexico, 20 miles west of Tampa and 20 miles north of St. Petersburg. Clearwater is the county seat of Pinellas County and one of the largest cities in the Tampa Bay Area. The City is known for its high coastal bluffs, commanding a magnificent double waterfront view of the Intercoastal Waterway and the Gulf of Mexico.

Clearwater's beach is on an island connected to downtown by palm tree-lined Memorial Causeway—a beautiful drive stretching across scenic Clearwater Harbor. The beach island is also connected to Sand Key and other Gulf beaches by the Clearwater Pass Bridge. Clearwater Beach, with three miles of glistening powdery white sand and gentle waves, lies directly on the Gulf of Mexico. This beach is one of several in the area that has been included on the Clean Beaches Council Blue Wave list. Clean Beaches is a national nonprofit organization funded by federal, corporate and foundation grants. It sets criteria for cleanliness, safety and environmental health that beaches must meet to make the list.

The Clearwater and Pinellas County area offers visitors 28 miles of beautiful beaches, some of which have received prestigious awards. Fort DeSoto Park's north beach area was designated "America's best beach" in 2005 by geologist Dr. Stephen Leatherman, known as Dr. Beach. Caladesi Island and Sand Key County Park beaches have been named among the "Top 20" best beaches in the United States by Dr. Leatherman.

Situated in a semitropical zone, Clearwater enjoys nearly ideal weather the year round with an average yearly temperature of 73 degrees Fahrenheit. Mild winters and warm summers, tempered by the cooling afternoon rains and southerly prevailing winds off the Gulf attract millions of vacationers.

In February 2004, Sports Illustrated and the National Recreation and Parks Association selected Clearwater as the Sports Illustrated 50th Anniversary Sportstown for Florida. Clearwater Parks & Recreation was honored as Florida's leading provider of sports facilities, and for its commitment to providing programs and services for participants of all backgrounds and ability levels.

In addition, in April 2004, Clearwater was named one of thirty finalists for the year's All-America City Award, the nation's longest running and most prestigious civic recognition program.

Less than a two hour drive away are numerous attractions such as Busch Gardens, Walt Disney World Resort, EPCOT Center, MGM Studios, Universal Studios, Sea World, and Lowry Park Zoo, which was named "No. 1 Zoo in the United States for Kids" by Child magazine in May 2004.

In addition to tourism, the City's largest industry, Clearwater is home to a wide range of businesses including computer components, surgical instruments, and data communication.

The Clearwater Municipal Marina is a 209-slip facility on the intercoastal waterway of Clearwater Harbor. The Marina serves nearly 600 transient boaters each year, provides fuel for thousands more and is home to more than 50 commercial tenants on a long-term basis. Centrally located at the entrance to Clearwater Beach, the Marina is a hub for water sports activities, entertainment, and attractions that serve over 1.2 million visitors to Clearwater annually. Also available at the Marina are a bait house, fresh seafood retail store, seafood restaurant and oyster bar, nautical shop, gift shop and post office, and a free fishing pier. The Marina houses the largest fishing fleet on the west coast of Florida.

Source: City of Clearwater 2005 Comprehensive Annual Financial Report except where indicated differently.

CITY OVERVIEW

Fishing is a big business and a popular past time in Florida. Visitors may be interested in chartering one of many boats from the marina for deep-sea fishing. Clearwater also offers an abundance of prime fishing off its piers, bridges, and beaches. Although Florida is not limited to a fishing season, fish such as snook, snapper, and others have a designated time of year in which they may be kept. Florida requires licenses for both fresh and saltwater fishing.

Just across the street on the Gulf of Mexico, the Marina manages Pier 60, a 1,080-foot observation and fishing facility with a bait house, snack bar and restrooms. Pier 60 is also the site of "Sunsets at Pier 60" every night from two hours before until two hours after sunset. Between February 1st and Labor Day, artisans and performers are featured. The three acre Pier 60 Park features a concession stand, covered play area and a pavilion for special events, concerts and continuous visitor entertainment.

Because of Clearwater's year-round temperate climate, many visitors take advantage of golfing on the nearly 30 public and semi-private courses. Also visitors can enjoy playing tennis, jogging, cycling and walking through numerous beautiful parks.

Clearwater and the surrounding Tampa Bay area have a variety of sporting competitions for spectators. This area is home for many nationally known teams including the National Football League Tampa Bay Buccaneers, the National Hockey League 2004 Stanley Cup Champion Tampa Bay Lightning, the Major League Baseball Tampa Bay Rays, and several baseball spring training camps. Clearwater is proud to host the Philadelphia Phillies each spring. The Philadelphia Phillies have held their spring training here since 1946. Throughout the year, one can view football, soccer, tennis, golf, baseball, hockey, softball and sailing, as well as wager on dog and horse racing.

Visitors can take a break from the sunshine and shop in Clearwater's diverse stores which, when combined, provide over two million square feet of shopping delights. From unique boutiques, antique stores and malls to flea markets, a visitor will find that perfect shopping opportunity.

Clearwater also offers a variety of cultural events. Clearwater's Jazz Holiday has been lauded as one of the top 20 events in the Southeast. Ruth Eckerd Hall offers a variety of performing arts and several dinner theaters offer Broadway plays and musicals with professional casts. Numerous museums can be found in the area including the Salvador Dali Museum, which contains the largest private collection of this artist's work outside of Spain.

The City of Clearwater is a stable community with an economic base that has been strengthening in recent years. This can be seen through such demographic trends as population, personal income per capita and new commercial construction.

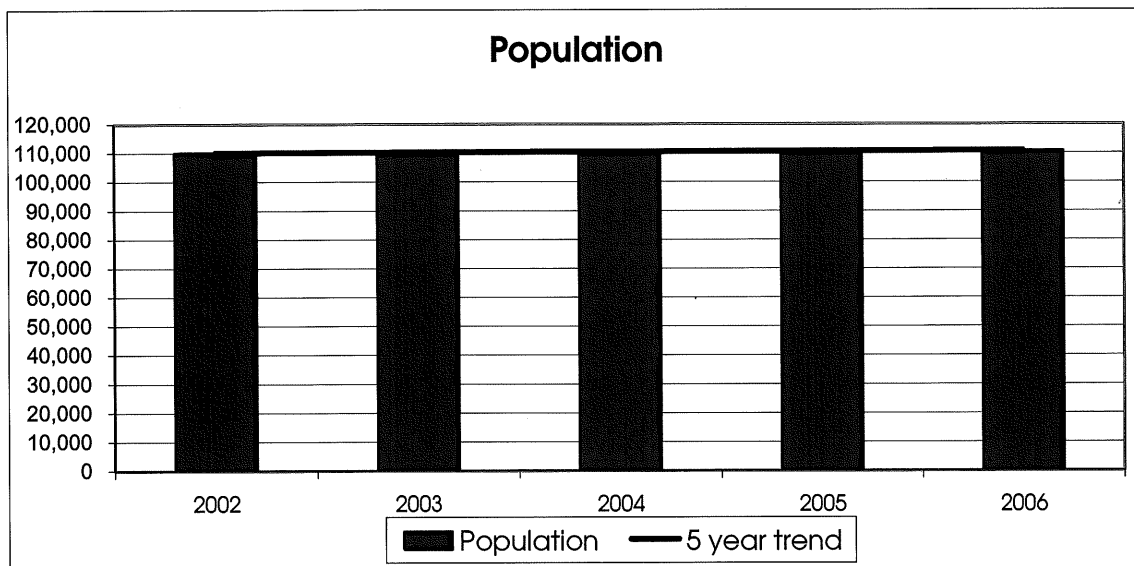
Population

The exact relationship between population change and other economic and demographic factors is uncertain. Population change can directly affect government revenues since many intergovernmental revenues and grants are distributed according to population. Also, a sudden increase in population can create immediate pressures for new capital outlay and higher levels of service.

Although a decline in population would appear to relieve the pressure for expenditures because the population requiring services is smaller, a local government is rarely able to make reductions in expenditures that are proportional to the population loss. Many costs, such as debt service and federal and state mandates are fixed and cannot be reduced in the short term.

The interrelationship of population levels and other economic factors tends to give population decline a cumulative negative effect on revenues. The greater the decline, the more adverse the effects on employment, housing and business activity.

The City of Clearwater population reflects a slow, steady population increase over the five year period. The lack of rapid change in either direction is a positive trend.



Fiscal Year:	2002	2003	2004	2005	2006
Population	110,055	110,325	110,655	110,831	110,602

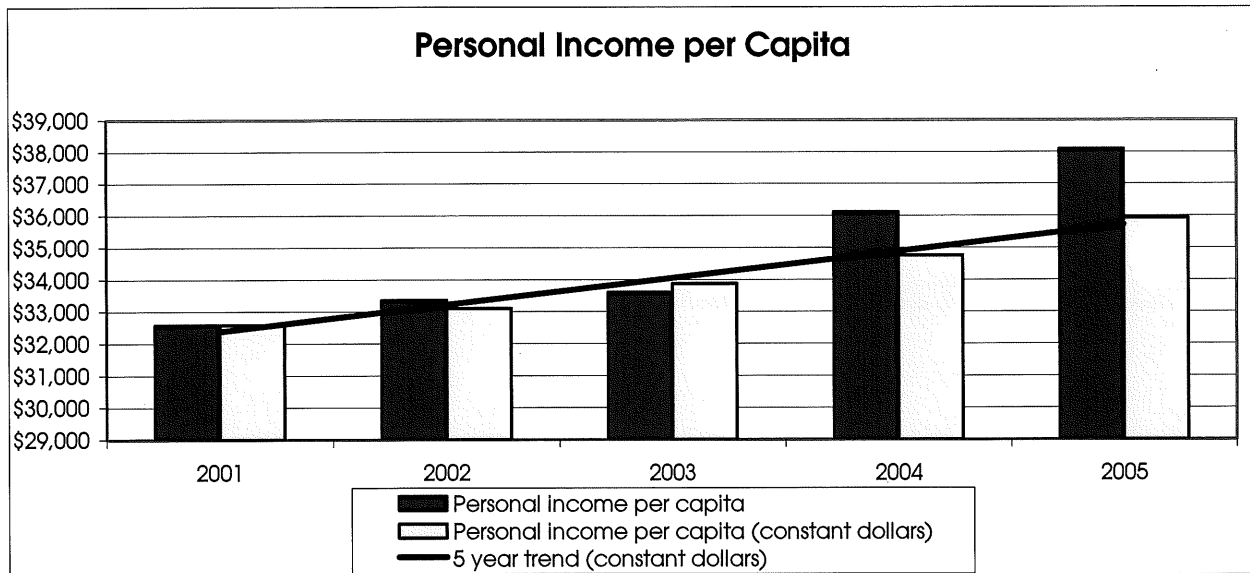
Source: University of Florida Bureau of Economic Business Research, Florida Statistical Abstract 2007.

COMMUNITY PROFILE

Personal Income per Capita

Personal income per capita is one measure of a community's ability to pay taxes: the higher the per capita income, the more property tax, sales tax, income tax, and business tax the community can generate. If income is evenly distributed, a higher per capita income will usually mean a lower dependency on government services. The per capita income used here comes from the University of Florida Bureau of Economic Business Research, Florida Statistical Abstract 2007. This indicator reflects the per capita income of Pinellas County. For the period shown, the countywide per capita income is increasing steadily over the five-year period analyzed, but as information becomes available for more recent years, this is expected to reflect the slowing economy.

2000 U.S Census figures on household incomes reveal a 9% increase in median income in Pinellas County from 1989 to 1999.



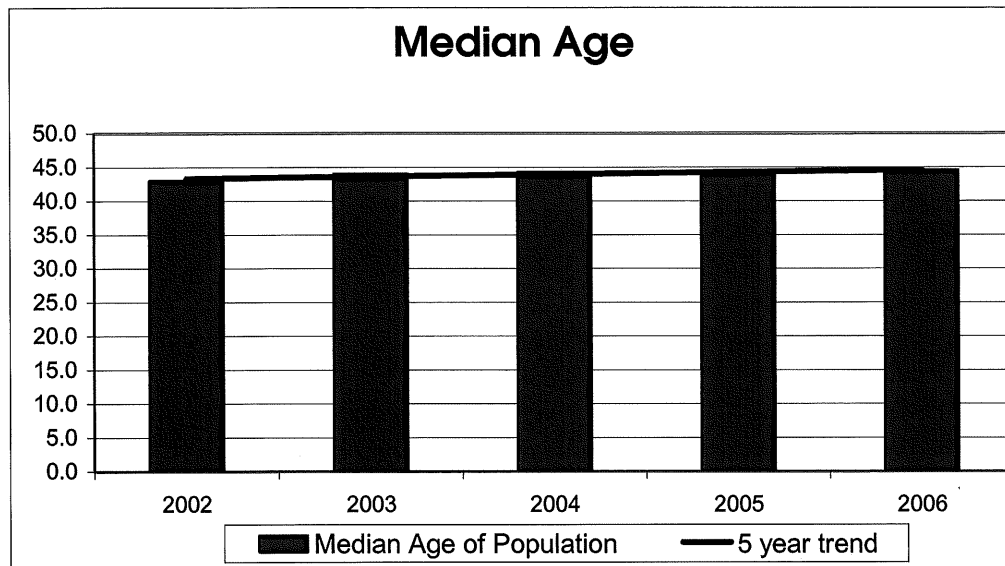
<i>Fiscal Year:</i>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
Personal income per capita	32,585	33,357	33,602	36,109	38,085
Consumer price index	177.1	179.9	184.0	188.9	195.3
Personal income per capita (constant dollars)	\$32,585	\$33,100	\$33,873	\$34,756	\$35,933

Source: University of Florida Bureau of Economic Business Research,
Florida Statistical Abstract 2007.
CPI: U.S. Department of Labor, Bureau of Labor Statistics - All Urban Consumers

COMMUNITY PROFILE

Median Age

According to the 2000 U.S. Census, for cities with populations greater than 100,000 Clearwater ranked number one in the country for the highest percentage of residents age 65 and older (21.5%) and 85 and over (3.6%). Still, the median age for Pinellas County is fairly stable at approximately 44.5 years old.



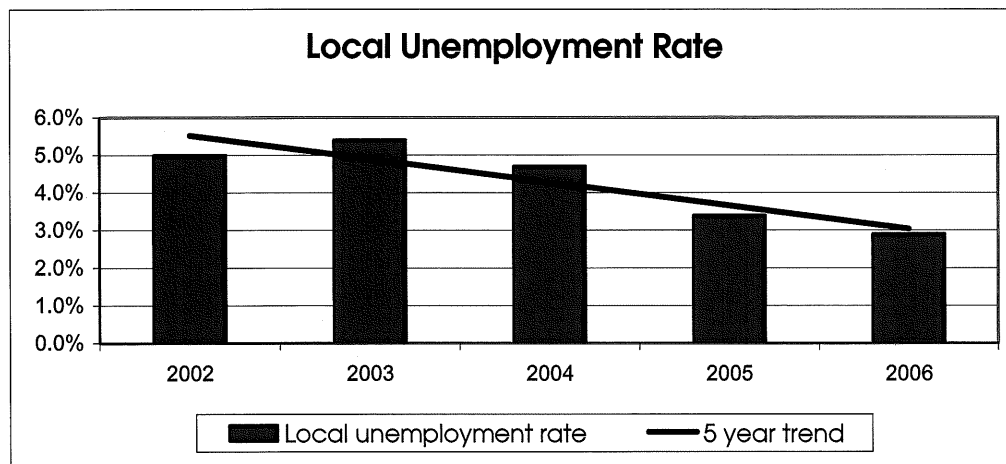
<i>Year:</i>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Median age of population	43.0	44.0	44.2	44.2	44.5

Source: : University of Florida Bureau of Economic Business Research, Florida Statistical Abstract 2006.

Employment Base

The unemployment rate used for this analysis is for the Tampa/St. Petersburg metropolitan area, and is provided by the U.S. Department of Labor Bureau of Labor Statistics.

This data reflects a trend of decreasing unemployment over the five years analyzed, which can be attributed to the positive economic climate during mid decade. The Tampa/St. Petersburg metropolitan area had a lower unemployment rate in 2006 than the state of Florida, which was 3.3%. However, with the current economic pressures on our state and nationwide, the positive trend will not continue.



<i>Fiscal Year:</i>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Local unemployment rate	5.0%	5.4%	4.7%	3.4%	2.9%

Source: University of Florida Bureau of Economic Business Research, Florida Statistical Abstract 2007.