

1 *Economic History of Pinellas County*

HISTORICAL BACKGROUND

Early Settlement and Development of Pinellas County

Pinellas County is a peninsula, making it somewhat geographically isolated from the rest of the state. The Gulf of Mexico lies on the western border of Pinellas County, while Tampa Bay borders the county's eastern side and Boca Ciega Bay edges its southern end. The population typically settled close to the coast as the only link to what little civilization existed elsewhere in Florida was via boat. Travel between early settlements was arduous, due to the dense vegetation that covered the land. Towns were isolated from one another, and even small distances seemed great during that early period of development. The Pinellas peninsula historically attracted a diverse group of people including Tocobaga Native Americans, Spanish explorers, and eventually, in the mid 19th century, the first pioneers. The early settlers had to be hardy and persistent, as very little of the peninsula's interior was accessible or desirable for settlement. They sustained themselves primarily by fishing and farming.

In the 1830s, Odet Philippe, a European American pioneer, arrived in the Pinellas peninsula and established the area's first citrus grove on his plantation. Philippe was a key figure in the early development of Florida's citrus industry. Adding to the growth of the peninsula was the passage of Federal homestead legislation in 1842 and the completion of the Orange Belt Railroad in 1888. The development of this new infrastructure spurred the population and economic growth of the area. Growth inevitably followed the railroad, and the towns that the train ran through. Tarpon Springs, Sutherland (now Palm Harbor), Ozona, Dunedin, Clearwater, Largo, and St. Petersburg immediately began to grow. As the terminus of the railroad and a deep-water port, St. Petersburg was poised to become the peninsula's major city.

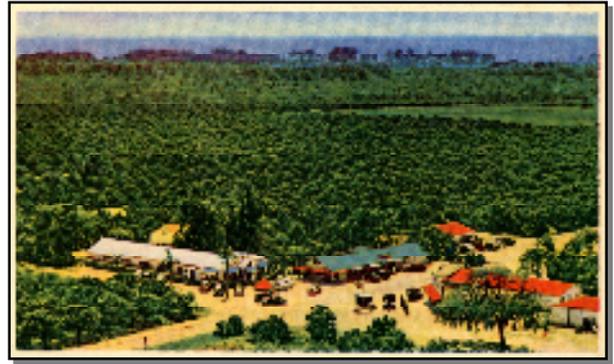


Early Clearwater Railroad Depot

Pinellas County was officially established on January 1, 1912. Previously, the area had been part of Hillsborough County and was called West Hillsborough by Tampa Bay residents. The County seceded from Hillsborough because poor transportation infrastructure between Pinellas and the City of Tampa made representation at government meetings extremely challenging. In addition, many residents and politicians in "West Hillsborough" felt that they were paying an unfair proportion of taxes versus services received. The following discussion will highlight Pinellas County's Economic History. For a more complete picture of Pinellas County's overall history, please see the publication titled 'Pinellas County Historical Background', available at the Pinellas County Planning Department.

Economic Growth

Pinellas County's economy has been influenced at different times and to varying degrees by agriculture, tourism, retiree in-migration, and manufacturing. Agriculture was the major industry in Pinellas from the time of settlement until the early 20th century. Some of the highest, best-drained land was devoted to citrus production. When the benefits of modernization became available, the agricultural industry profited from new methods of processing and packing, and used the newly constructed railroad to export its products. Later on, however, rapid population growth, urbanization, high land values, and freezes in the 1980s caused the remaining citrus growers to abandon the citrus business in Pinellas and sell their groves for development.



Pinellas County Citrus Grove

A major contributor to the area's growth is the climate. At an 1885 American Medical Society Convention in New Orleans, the Pinellas peninsula was lauded as the healthiest spot on earth. The well-publicized health benefits, combined with the area's natural beauty and long, sandy beaches contributed to the establishment of the tourism industry. In 1897, for example, the Belleview-Biltmore Hotel was opened to serve the needs of the burgeoning tourism industry and to attract wealthy investors. Tourism expanded rapidly with the improvement of transportation into and throughout Pinellas. In the early 1900s, the beaches became a focal point for development as the United States' population acquired more leisure time, higher incomes, and greater mobility, and as roads, bridge access, and utilities were provided to the beach areas. Growth and development have been, and remain, closely aligned with the tourist industry.

The sponge industry also holds an important slot in Pinellas County's economic history. It was during the late 1800s that the sponge industry and the Greek community in Tarpon Springs were established on the peninsula. Originally operating out of Key West, boats were now making regular trips to the area sponge beds, and soon the area's sponge industry was well established.



The Don Cesar Hotel dates from 1925

The three distinct elements of the Pinellas peninsula's early 20th-century economy -- the citrus, tourist and sponge industries -- had been clearly established by the end of the 19th century. They were arranged in a clear geographic pattern. The tourist industry was centered mainly around St. Petersburg in the south. The citrus industry covered the central region and shipped its products via the central railway depots at Largo, Clearwater, Dunedin and Sutherland. The sponge industry was centered in Tarpon Springs and Anclote at the northern end of the peninsula.

The convergence of tourists on Pinellas County eventually led to the shift to a more service-oriented economy. This shift has generated concern about the low average wages paid to service industry workers and the vulnerability of the local economy to recession. Because a tourist-based economy relies on the amount of disposable income available to visitors, tourism is strongly dependent upon the economic strength of the United States economy, as well as the international economy. Therefore, a tourist based economy is also more vulnerable to fluctuations within those larger economies. Another contributing factor to the economic shift to services and retail trade was the infusion of retirees into the local population. Since World War II, an abundance of retirees have migrated to the area to enjoy the benefits of warm weather and sandy beaches.

The manufacturing sector of the local economy did not develop to any great extent until the advent of the space program in the late 1950s, when new industry, primarily electronic and electronic component firms, began moving to Pinellas, helping to diversify the economy. Although the manufacturing sector grew steadily during the 1960s, the service and trade sectors, supported by increasing numbers of tourists and retirees, continued their domination of the County's economy. Since 1960, as Pinellas County has continued to be developed, agricultural lands have all but disappeared. For example, in 2004, agricultural land made up only 0.3 percent of the County's total land area.

The local economy maintained a similar pattern of development throughout the 1970s and into the 1990s. Pinellas County has in recent years been able to avoid an overdependence on tourism and to diversify the economy by recruiting high technology manufacturing firms. In the 1970's and 1980's, as these high-tech firms moved into the county, the area's financial industry also experienced significant growth. The diversification of the economy also resulted in a more stable place to live and work, as higher-paying and more plentiful job opportunities attracted younger workers to the area. Many new companies, typically high technology manufacturing firms, have moved into Pinellas to take advantage of the favorable business climate. The financial sector, including the insurance and real estate industry, has grown to meet the demands resulting from this economic growth and development. Overall, the move away from an economic base dominated by the relatively low wages and the seasonal business cycles of the tourism/retirement industries has helped strengthen and stabilize the local economy.



The Sperry Corporation - 1984

The United States, including Pinellas County, experienced an economic recession in the early 1990s, largely due to the outsourcing of manufacturing jobs and reductions in defense spending that resulted from the end of the Cold War. Once again, Pinellas County was able to diversify its economy by attracting smaller companies that specialize in sophisticated manufacturing by producing high-end products, such as computer and medical components.

Since 2000, Pinellas County has continued to add high-tech manufacturing firms to its economic base. In 2003, Pinellas County had the second highest number of manufacturing jobs in Florida and the third highest number of manufacturing firms in the state.

Spreading Out: the Transition to Suburbia

Pinellas County, with 280 square miles, is geographically the second smallest county in the state, larger only than rural Union County in north Florida. Its small land area and large population have made Pinellas by far the most densely populated county in Florida. At present, Pinellas County has an estimated 3,371 persons per square mile. The large present-day population has several important historical factors. Mosquito control was implemented on a widespread basis in Florida in the 1950s. In the post-World War II period, air conditioning and the expansion of the Interstate highway system encouraged migration to Florida from the north. The combination of mosquito control, highway development, and air-conditioning led to an explosive growth in Florida's population. Pinellas County's population reflects a similar population trend. In 1920, Pinellas County had 28,265 permanent residents and by 2006, the county had grown to 922,893 local citizens. Because of this growth, Pinellas County is now the sixth most populous county in Florida. Please see **Table 1** for a graphical representation of Pinellas County's historical population growth from 1990 to 2000, including the shift from its rural roots to its more urban form present today.

Table 1
Urban and Rural Population of Pinellas County, 1920-2000

Year	Total Population	Urban Population	% of Population Classified as Urban	Rural Population	% of Population Classified as Rural
1920	28,265	14,237	50.40%	14,028	49.60%
1930	62,149	51,446	82.80%	10,703	17.20%
1940	91,852	74,350	80.90%	17,502	19.10%
1950	159,249	137,702	86.50%	21,547	13.50%
1960	374,665	341,384	91.10%	33,281	8.90%
1970	522,329	502,277	96.20%	20,052	3.80%
1980	728,531	724,988	99.50%	3,543	0.50%
1990	851,659	848,230	99.60%	3,429	0.40%
2000	921,495	920,531	99.90%	964	0.10%

Source: US Dept. of Commerce, Bureau of the Census; Bureau of Economic & Business Research, "Florida Population Studies", 34

Despite the county's small geographic size, 24 municipalities exist within its borders. By contrast, despite having a larger area and population, neighboring Hillsborough County has just three municipalities. The high number of cities and towns within Pinellas is likely due to the

area's early decentralized economic growth and the unique geographic features of the county. Since water surrounds well over 50 percent of the county's borders, fishing villages and ports developed in various areas of the county, with no overwhelming need for communities to unite. In Hillsborough, the economy grew up around the Port of Tampa, which led to a more centralized social and economic structure.

Pinellas County's development pattern was established early, and is evident even today on modern day street maps. The earliest roads often followed irregular, somewhat meandering routes to connect the County's scattered settlements. The sites of early towns are apparent in the compact grid pattern formed by their streets, as can be seen in St. Petersburg's downtown and its older neighborhoods along Central Avenue, as well as in downtown Clearwater, downtown Dunedin, and the older section of Palm Harbor.



St. Petersburg's grid pattern is clearly evident in this 1930 aerial photograph.

Gridded streets remained in favor well into the 20th century, but blocks and home lots became noticeably larger as the automobile eliminated people's need to live in compact neighborhoods near the central downtown.

It was in the decades after World War II that residential development increasingly moved away from the grid pattern and toward large subdivisions with curving streets, cul-de-sacs, and few connections with the surrounding road network. This reduced traffic in residential areas, but it greatly restricted access and funneled huge volumes of cars onto major roads. Most residential developments built in Pinellas since 1970, mainly in the northern end of the County, have continued to follow this pattern.

In the post-war era, Pinellas County also began to see a major change in commercial development with the advent of shopping centers and malls. After the war, the automobile allowed more people to live in the suburbs, farther away from downtown areas that were the traditional shopping districts. Where traditional downtowns consisted of many buildings on many lots, the new shopping districts were in shopping centers built by a single developer on a single parcel. These



The Clearwater Mall demonstrates a design that caters to cars.

new shopping centers, with their expansive parking lots, were designed to accommodate cars, which were becoming the nation's predominant form of urban transportation.

Real Estate and Building Booms

The continued growth of Pinellas County created demand for better roads, bridges and water service. When World War I ended in 1918, thousands of tourists came to Pinellas County for vacations, to buy new homes, and to invest their money. The Florida real estate boom began in 1921, and reached its height in 1925. As more people migrated to Florida in the early 1920s, the housing supply became inadequate, which, in turn, touched off a building boom. More people also meant more roads. The most important transportation improvement to be constructed during this time was the Gandy Bridge linking St. Petersburg to Tampa, effectively shortening the traveling distance between the two cities from 43 to 19 miles. Another significant transportation improvements constructed during the 1920s building boom was Clearwater's "million dollar" causeway. Stretching from downtown Clearwater to Clearwater Beach, the causeway replaced an old wooden bridge. The new causeway helped to further enhance the popularity of the beach by providing easy access from the mainland to the island.



Depiction of the 'Million Dollar Causeway'

World War II's end in 1945 marked the start of another era of rapid growth for Pinellas County. The removal of wartime restrictions on spending and mobility contributed to the area's boom. And once again, new residents flocked to the County. However, it was the 1950s that witnessed the most spectacular growth in the history of Pinellas, and the County's population increased by more than 135 percent between 1950 and 1960 (see **Table 1**). This increase represented the largest numerical gain, as well as the highest percentage increase, ever recorded in Pinellas County's population.

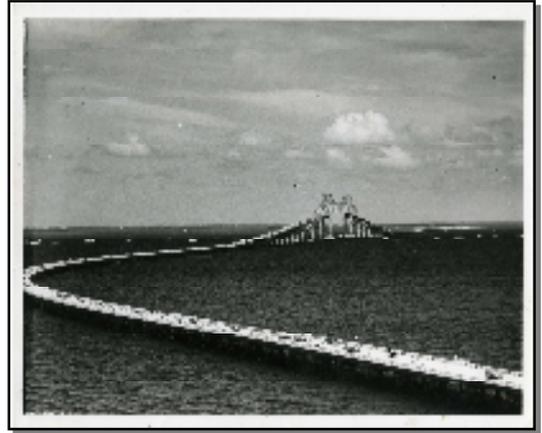
During this phase of development, as the demand for waterfront property began to exceed the supply, developers started dredging sand to turn portions of shallow bays into dry land. By 1970, dredge-and-fill had added 4,800 acres to the County, mostly in Boca Ciega and Clearwater Bays. The resultant environmental impacts from dredging and filling prompted the creation of agencies to regulate the activity. Continued problems from dredge-and-fill led Pinellas County to push the Legislature for two special acts to halt the sale of local submerged lands, thus ending this manufacture of land.

The tremendous growth in Pinellas during the 1950s also placed increasing demands on public services. In an attempt to provide land use controls, Pinellas County's Board of County Commissioners adopted zoning regulations and a building permit procedure in 1955.

During this same period, the County's water supply was threatened with saltwater intrusion. The Pinellas County Water System realized, as had the City of St. Petersburg in earlier years, that the peninsula's water resources would not be adequate to meet population demands. Therefore, the property in the corner of northeastern Pinellas County and northwestern Hillsborough County was leased for wellfield development, and the Eldridge-Wilde Wellfield was put into operation in 1956.

Inadequate sewer facilities presented another problem for Pinellas County's growing population. By the late 1950s, a sizable proportion of the County's total population was not connected to a central sanitary sewer system. In 1960, the South Cross Bayou Sanitary District was created, the first of many such districts created to expand sewer service across the County. Thanks to proactive long range planning on the part of the County and municipal governments, by the late 1980s most of Pinellas County was on regional sanitary sewer, or was being served by a smaller package plant.

Several major transportation projects were constructed during this boom period. Perhaps the most spectacular was the construction of the first span of the Sunshine Skyway Bridge, which crossed Tampa Bay and connected the Pinellas peninsula with Manatee County. Additionally, a twin span to the Gandy Bridge was built, and the Howard Frankland Bridge was constructed across Tampa Bay midway between the Gandy Bridge and the Courtney Campbell Causeway. The Howard Frankland Bridge opened in 1960, and was later added to the federal interstate highway system. Also constructed during the period from 1960-1962 were the Pinellas Bayway, which provided another link between the southern Pinellas mainland and the Gulf Beaches, and the Clearwater Pass Bridge, connecting Clearwater Beach with Sand Key.



The original Sunshine Skyway Bridge.

On July 19, 1955, the last segment of the Gulf Coast Highway (now known as U.S. Highway 19) was opened for traffic in St. Petersburg, providing a direct route between Pinellas and Tallahassee. The new road was hailed as another boon to tourism, and development began alongside it almost as soon as it was completed.

During the early to middle part of the 2000 decade, Pinellas County, the State of Florida and much of the rest of the Country experienced another real estate boom, though it is currently experiencing a significant downturn, or 'correction' in terms of slowing sales and reduced values. The taxable value of real estate in Pinellas County more than doubled during the ten year period between 1996 and 2006, from \$31.2 billion to \$62.9 billion, respectively. It is unclear as to what effects the 'correction' will have on these numbers, but since the county is reaching build-out conditions, new options in real estate are increasingly limited. The build-out scenario restricts new supply, which was simultaneously being outpaced by demand during the boom times just a couple of years ago. The confluence of these factors increased real estate prices while limiting affordability. Because of the lack of greenfield space, much of the new construction during current and future years will be in the form of redevelopment and rehabilitation of existing structures. This will likely lead to further urbanization, with increasingly mixed use developments that cater to multiple purposes. The County is preparing to deal with this realization through increasingly flexible land development codes and other methods to help offset the higher costs of redevelopment when measured against the still remaining greenfield opportunities in neighboring counties.

Quality of Life and Growth Management

In the early 1970s, the Pinellas County Board of County Commissioners recognized that the development pace was seriously threatening the County's ability to provide the quality of life expected and desired by both residents and visitors alike. They recognized that a more focused program of land use planning, environmental lands acquisition, and regulatory land use controls provided the means to ensure that the future pattern of land uses occurred in a more orderly fashion, and provided a better balance of community, environmental and economic needs.

In 1975, the Local Government Comprehensive Planning Act was instituted by the Florida Legislature. This provided further impetus to a landmark project initiated in the late 1970s by the County to identify environmentally-significant lands throughout the County with the intent of adopting the necessary and appropriate regulatory land use designations to preserve their environmental significance. This planning effort resulted in significant wetlands, beach and dune systems, and 25 year floodways and floodplains being delineated as Preservation on the Future Land Use Map. Associated with this effort was the identification of appropriate development restrictions and prohibitions on, or adjacent to, environmentally-significant lands.

In 1989, with the adoption of substantial amendments that thoroughly revised and expanded the scope of the Pinellas County Comprehensive Plan, the County began to seriously grapple with other land use and development-related issues like hurricane evacuation and emergency shelter deficiencies as they related to residential densities within the vulnerable coastal area. The relationship between development and the ability to provide needed public services and facilities was also addressed in 1989 with the adoption of the County's concurrency management procedures. The impact of these new requirements was perhaps most noticeable in new restrictions being placed on development intensities for projects located along roadway corridors with deficient operating conditions.

Despite, or perhaps because of, the excesses of the County's early history, today, Pinellas County has a mature growth management program. It is clear that Pinellas County's quality of life and economic prosperity, enjoyed today by so many, is largely dependent upon the foundation provided by the long range comprehensive planning and management strategies that have been in place for well over twenty five years, and upon proactive responses by the Board of County Commissioners to the challenges of a community now approaching build out. This *Economic Element* of the Comprehensive Plan is a natural and logical extension of that process that will serve to further the County's goals of a robust, diverse and sustainable local economy that feeds into, as well as out of, the quality communities and high environmental standards that Pinellas currently enjoys.