

INTRODUCTION

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September 31, 2012

CITY MANAGER'S LETTER

I am pleased to present to you the adopted budget for Fiscal Year 2013, which reinforces City Council's Strategic Action Plan mission statement, operating values, and goals. The adopted budget for Fiscal Year 2013 outlines the programs and projects that support the Strategic Action Plan and also reflects the improving economic conditions following one of the nation's worst economic downturns. This letter also highlights points of emphasis related to each goal of the Strategic Action Plan.

IMPROVING ECONOMIC CONDITIONS

In 2012, the economic conditions and trends in Palm Coast started to improve when compared to previous years. Below are a few examples of improving conditions:

- 🌴 **Growth** – Palm Coast is projected to be the 2nd fastest growing area over the next five years.
- 🌴 **Employment** – Palm Coast has largest drop in unemployment rate in Florida over year.
- 🌴 **Taxable Sales** – Palm Coast taxable sales grew 21% or \$94 million since '07.
- 🌴 **Capital Investment** – \$246.7 million was invested in private construction in Palm Coast since '09.
- 🌴 **Real Estate Values** – Palm Coast area median sales prices for single-family homes began to rise in 2012 for the first time since the economic downturn.
- 🌴 **Economic Outlook** – Palm Coast was named one of the 15 best housing markets in next five years. Also, Palm Coast was named one of the 5 great places to retire.

While property values tend to lag behind changes in the real estate market, based on the above improving economic conditions, we are optimistic that revenue sources in the upcoming fiscal years will stabilize and then begin to rise. This will enable the City to maintain our aging infrastructure and invest in capital projects that were either delayed or eliminated during the economic downturn.

STRATEGIC ACTION PLAN

During the past fiscal year, City Council developed a new mission statement, operating values, and goals as part of a Strategic Action Plan. Staying true to the City Council Mission Statement (below) will help the City to be recognized as one of Florida's premier cities in which to live, work, and play.

City Council Mission Statement

"To provide our residents, visitors, and business community with exceptional government services in order to improve the quality of life, grow the local economy, and protect the natural environment through a planned, integrative approach using available technology."

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The Strategic Action Plan is the guiding policy document for City Council and City Staff. This budget is driven by the mission statement and goals contained in the Strategic Action Plan. Highlights of initiatives related to each of the City Council's goals are included below along with points of emphasis in this year's budget.

**Goal 1
Expansion**

To anticipate the need for additional services and infrastructure to provide opportunities for mixed use development with goods, services, and employment.

In the upcoming fiscal year, we will continue to not only plan for tomorrow, but also for the long term infrastructure needs to accommodate our anticipated growth. Even during the economic recession, the City continued to experience an increase in population, and we anticipate the growth to continue in the future. The University of Florida Bureau of Economic and Business Research projects that by 2025, the City of Palm Coast will double in population, exceeding 158,000 people. During this past fiscal year and the next, the City has and will continue to face challenges in funding not only future infrastructure needs, but also maintenance of aging infrastructure.

Stormwater Funding Commitment – During the budgeting process, the City Council made a key policy decision to fund Stormwater improvements primarily from user fees using the current methodology. While the City Council will review the methodology in the upcoming fiscal year to better allocate fees to the appropriate users, this commitment to fund Stormwater improvements through fees provides a dedicated revenue stream to ensure continued maintenance of our aging Stormwater infrastructure.

Utility Rate Study – In the upcoming fiscal year, the City Council will consider utility rate and fee adjustments to fund necessary utility maintenance and infrastructure improvements to meet previous bond covenants, allow for refinancing and additional debt obligations, and comply with regulatory requirements. The utility rate and fee adjustments will be a result of the Utility Rate Study anticipated to be completed early in the upcoming fiscal year.

Infrastructure Funding Challenge – Also, in the upcoming fiscal year, the City Council will be asked to provide direction on how to fund governmental infrastructure (transportation, parks & recreation, fire) needs in the future. During the economic recession, City Council opted to lower or maintain tax rates while maintaining essential services, but forgoing or delaying governmental infrastructure projects. Many of these governmental infrastructure projects are associated with grants that contain performance provisions and penalties. In addition, growth has continued during the economic recession and the need for these governmental infrastructure projects still exist. A multi-department team of staff will develop a priority list of projects along with funding options for City Council to consider during the upcoming fiscal year.



**Goal 2
Economic**

To develop and maintain a strong economy by supporting the growth and development of new and existing businesses while creating an environment to attract new companies that align with our values.

In the upcoming fiscal year, the City will continue to implement programs and projects outlined in Prosperity 2021 to develop and maintain a strong economy. The improving economic conditions indicated in the opening of this letter support the City's efforts to maintain our neighborhoods, support existing businesses, and encourage investment by attracting new residents, visitors, and businesses.

Prosperity 2021 – The City is now in the second year of implementing *Prosperity 2021: Plan for Growing our Local Economy*, which will be integrated into the recently adopted Strategic Action Plan. While the improving economic conditions indicate that the City's efforts are paying dividends, there is still more work to do. City staff will continue to focus on projects and programs within Prosperity 2021 to help our local economy recover.

Business Assistance Center – The Palm Coast Business Assistance Center, or BAC, was established in May 2011 to help our existing business grow through a unique partnership with the Small Business Development Center at the University of Central Florida (SBDC at UCF). Since its inception, the BAC has helped businesses maintain or create 89 jobs and invest approximately \$4.5 million in our local economy through capital investment, increased sales, and salaries. In addition, the BAC with City Council's support has established numerous programs, including the Annual Business Expo and Loan Guarantee Program. During the budget process, City Council affirmed its support of the BAC in the upcoming year by renewing the contract with the SBDC at UCF.

Sports Tournaments – The City in partnership with our local sports clubs and the Flagler County Tourist Development Council continues to attract sports tournaments and the associated visitor spending to our local economy. In the upcoming year, City staff will continue to work to make these events even bigger and better, along with their positive impact on our local economy.

**Goal 3
Finance**

To leverage our financial strengths while insuring the City remains committed to fiscal responsibility in delivering value added services to residents and businesses.

During the budget process, the City Council was able to maintain existing levels of service, while maintaining the current level of property tax collections. In the upcoming fiscal year, City staff will continue to explore ways to strengthen our financial position while delivering value to our citizens.

Rollback Millage Rate Adopted – During the budget process, the City Council adopted the rollback millage rate, which resulted in the same amount of property tax collection as the previous year. This allowed the City to maintain the same level of service to the citizens of Palm Coast, while maintaining the 2nd lowest millage rate for cities our size (population between 60,000-90,000) in Florida.



Fund Balance Reserve Policy – During the budget process, the City was able to maintain compliance with the fund balance reserve requirements in the City’s major funds. Maintaining compliance provides the City financial stability and a fund reserve to use if unexpected emergencies arise.

Refinancing Debt – In the upcoming fiscal year, the City plans to take advantage of all-time low interest rates to refinance debt in two funds, the State Road 100 CRA and the Utility Fund. By refinancing debt, the City will save on interest costs over the long-term and this will allow the City to take on additional debt to complete necessary projects at very low interest rates.

**Goal 4
Environmental** *To blend our residential and commercial properties with our “City of Parks and Trails” image to create a sustainable framework of visual appeal while caring for our land, water, air, and wildlife.*

The City’s commitment to environmental sustainability has been recognized by our designation as a Gold Level Green City by the Florida Green Building Coalition and numerous other awards and recognitions. In this upcoming fiscal year, City staff will continue to look for opportunities to conserve natural resources and become more efficient with the resources that we do use.

Solid Waste and Recycling Program – This past fiscal year, the City implemented a comprehensive program to encourage citizens to recycle. This program resulted in a 15% increase in recycling in the first week of implementation. In the upcoming fiscal year, City staff will continue to promote and publicize the program, so that even more residents participate and become environmentally conscious.

Water Resources – In the upcoming fiscal year, the City is scheduled to begin construction of the Zero Liquid Discharge (ZLD) project at Water Treatment Plant #2. The ZLD project will eliminate the need to discharge concentrate to water bodies, increase plant efficiency, and make better use of our water resources.

**Goal 5
Quality of Life** *To enhance the quality of life for our citizens by providing safe, affordable, and enjoyable options for cultural, educational, recreational, and leisure-time events.*

The City’s numerous parks, trails, events and activities make our community truly a special place. In the upcoming year, City staff will continue to maintain and improve these facilities, along with looking for ways to help residents and visitors “Find *their* Florida” here in Palm Coast.

Trails – City staff developed the Pedestrian/Bicycle Master Plan with the project priorities set by City Council almost three years ago. City staff aggressively pursued grants to accomplish many of the projects and I am proud to say that the City now has approximately 125 miles of trails for residents to



enjoy. In the upcoming fiscal year, City staff will begin work on one of the few remaining sections, Seminole Woods Parkway, with the assistance of Community Development Block Grant funding.

Special Events – The City continues to expand the number and scope of events hosted at Central Park to provide residents additional opportunities for cultural and recreational events. In addition, these special events attract visitors and keep existing residents here on the weekends to spend their disposable income right here in Palm Coast. City staff will continue to work to expand these events to attract more visitors and provide residents an enjoyable experience.



**Goal 6
Workforce
Talent**

To develop and implement a comprehensive plan to improve City employee skills and performance through education and training; performance management; and personal development opportunities.

The Strategic Action Plan adopted by City Council included a goal specifically focused on employee development, which represents a strong commitment to have a dedicated and skilled workforce. In the upcoming fiscal year, City staff will work towards this goal by continuing to develop our workforce and provide motivation, so that our employees are knowledgeable and provide excellent service to our citizens.

LITE Team – During the past fiscal year, we implemented a management development program for professional employees interested in developing their skills while taking challenges beyond primary roles and expertise. Through the Leadership Intern Training Experience (LITE) team concept, employees are provided the opportunity to work directly with the City Manager and other members of top management. The LITE teams will continue to finish important projects during the upcoming fiscal year and we plan on evaluating the program to determine its effectiveness and determine if other teams should be formed to tackle upcoming challenges.

Two teams were specifically formed to help address the City Council goal of providing personal development opportunities for City employees. One team, known as EAT, is developing and implementing a comprehensive training program for all City employees. Another team, known as BAM, is focusing on identifying, developing and implementing programs that would motivate City employees.

Pay Plan Reinstated – During the budgeting process, the City Council reinstated the pay plan that was suspended during the economic downturn. This commitment by City Council to keep our pay plan competitive will aid in retaining exceptional staff with significant institutional knowledge and ensure our investment in our employees continues to pay dividends of efficiency and effectiveness.

LOOKING FORWARD

In closing, I am more encouraged than ever about the future of Palm Coast. This past fiscal year, City staff met the challenge of delivering quality services with less resources to do so, while maintaining citizen satisfaction, as reflected in the Annual Citizens Survey. Those citizens who had interacted with an

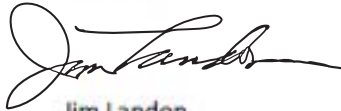


employee of the City of Palm Coast gave high marks to those employees and most rated their overall impression of employees as "excellent" or "good." In addition, of the 34 city services for which comparisons were available, 29 were above or similar to the national benchmark.

With a strong City Council vision, mission statement, and goals as our guide, along with exceptional employees to take on the challenges ahead and implement City Council's Strategic Action Plan, I have no doubt that in 2013 our community is poised for economic growth and prosperity. While our City will continue to face challenges related to funding improvements to our aging infrastructure, previous City Council decisions and direction have provided a stable foundation upon which to meet those challenges. And with motivated City employees, I am optimistic that we will continue to meet those challenges while maintaining high citizen satisfaction with City programs and services.

On behalf of all City employees, we look forward to a prosperous and successful 2013, as we continue to make Palm Coast, Florida's premier City in which to live, work, and play.

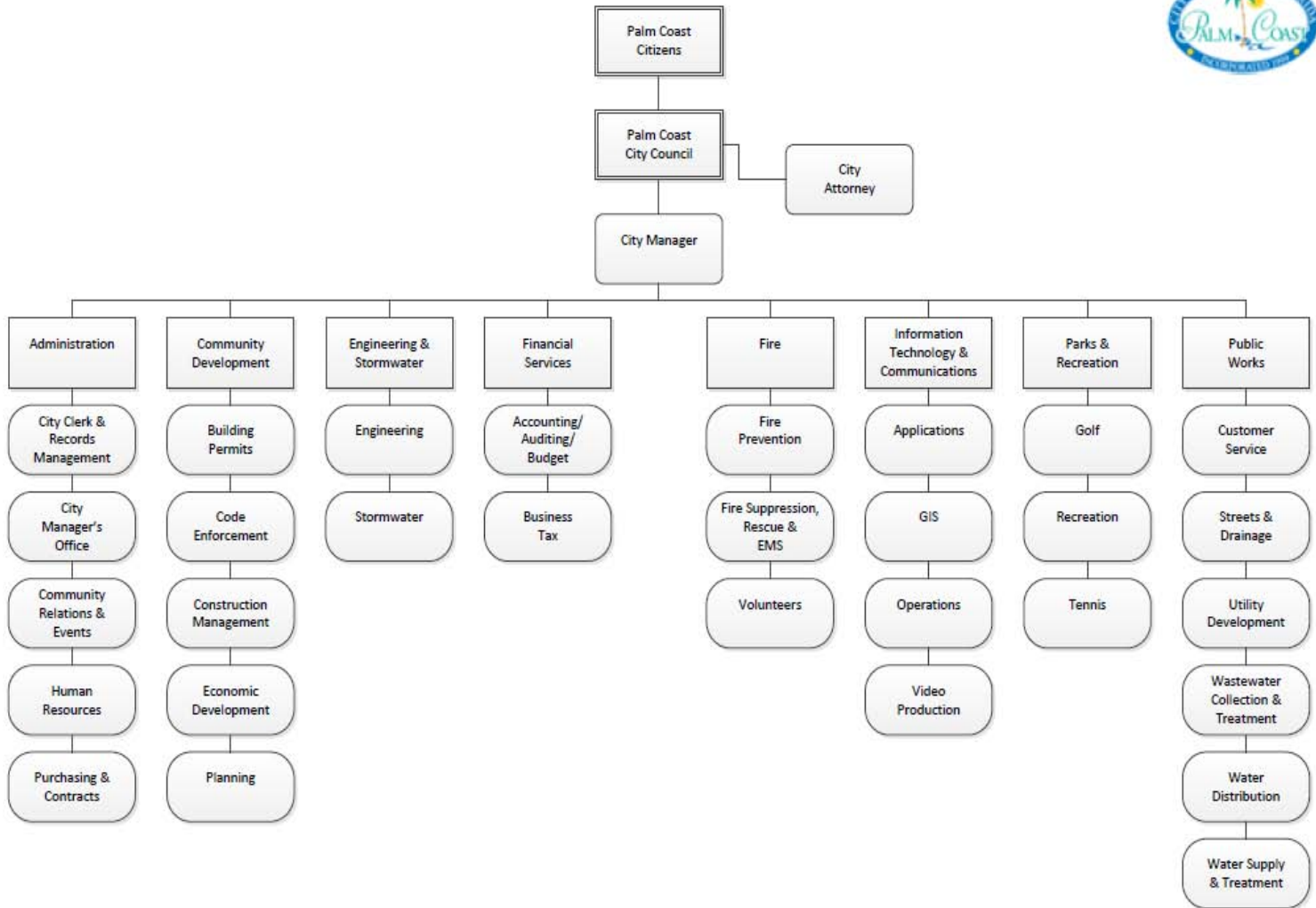
Sincerely,



Jim Landon
City Manager



Organizational Chart



Please Note: Police protection is provided by contract with the Flagler County Sheriffs Office.



2012-2013 Strategic Action Plan

Implementing a Vision

Over the course of five (5) months, the City of Palm Coast City Council participated in an exhaustive planning exercise that consisted of interviews and workshop events to reaffirm a City-wide Mission, Values and Long-term Vision. During this process, City Council was provided a Leadership Guide tool that housed core planning elements to better assist with the Strategic Action Plan development process.

Leadership Guide Elements included, but were not limited to:

- ⇒ Core Values to the Strategic Action Plan Process
- ⇒ Five-Year Progress Report (2007-2012 Fiscal Years)
- ⇒ 2035 Comprehensive Plan Objectives and Policies
- ⇒ 2011 National Citizen Survey Report
- ⇒ 2023 Strategic Plan Goals and Objectives

Through City of Palm Coast City Council's direction, the Vision will be implemented through six (6) Long-term Goals and supporting Short-term Objectives and Strategies. In comparison to previous years, an additional tier of organization was established to bridge a closer relationship with implementing the Vision and Fiscal Year budgetary commitments. Through Approaches (Annual projects), City staff track activities, budget, performance and overall accountability of the pursuit of the City's Vision.



2012-2013 Strategic Action Plan

Implementing a Vision

Goal	Objective	Strategy	Administration	Comm. Development	Eng. & Stormwater	Finance	Fire	IT&C	Parks & Rec	Public Works
		Short-Term	Approach							
Goal 1: Expansion To anticipate the need for additional services and infrastructure to provide opportunities for mixed use development with goods, services and employment	To enhance infrastructure in order to maintain quality neighborhoods and business districts	Projects targeted as highest priority for replacement shall be evaluated for potential upgrade or enhancement								
	To assess the need to expand infrastructure for sustainable growth	Maintain an inventory of infrastructure condition and priority rating; coordinate facility capacity upgrades; keeping older neighborhoods attractive and relevant								
Vision: To be recognized as one of Florida's premier cities in which to live, work and play										

Goal	Objective	Strategy	Administration	Community Development	Engineering & Stormwater	Finance	Fire	IT&C	Parks and Recreation	Public Works
		Short-Term	Approach Assignments							
Goal 2: Economic To develop and maintain a strong economy by supporting the growth and development of new and existing businesses while creating an environment to attract new companies that align with our values	To develop an evaluation matrix to assess the implementation of Prosperity 2021	Inventory progress to date								
	To develop a "branding and marketing strategy" and establish criteria to measure success	Expand use of "Find Your Florida" brand; campaign City's economic strengths and opportunities; support event activities with positive economic impact								
	To promote the Palm Coast Business Assistance Center (BAC) as the destination center for small business training and support in Flagler County	Develop a branding strategy, create programs to assist small business; develop education programs to reach broader participation in Flagler County and across Florida; strengthen BAC partner effort; increase Private sector financial support for BAC								
Vision: To be recognized as one of Florida's premier cities in which to live, work and play										

2012-2013 Strategic Action Plan

Implementing a Vision

Goal	Objective	Strategy	Administration	Community Development	Engineering & Stormwater	Finance	Fire	IT&C	Parks and Recreation	Public Works
Short-Term			Approach Assignments							
Goal 3: Finance To leverage our financial strengths while insuring the City remains committed to fiscal responsibility in delivering value-added services to residents and businesses	Diversify our revenue sources	Evaluate and target diversification of funding sources; seek private/public partnerships								
	Increase efficiency through enhanced operations and technological advancements	Review operational procedures and policies; evaluate technological opportunities; continue and enhance volunteer opportunities; seek in-house alternative to external services								
	Establish system to continually evaluate and enhance financial controls	Create an anonymous reporting program to alert financial improprieties; annual evaluation and risk assessment to strengthen controls								
Vision: To be recognized as one of Florida's premier cities in which to live, work and play										

Goal	Objective	Strategy	Administration	Community Development	Engineering & Stormwater	Finance	Fire	IT&C	Parks and Recreation	Public Works
Short-Term			Approach Assignments							
Goal 4: Environmental To blend our residential and commercial properties with our "City of Parks and Trails" image to create a sustainable framework of visual appeal while caring for our land, water, air and wildlife	To develop programs to enhance our water conservation strategies	Utilize nature's water supply resources effectively for water supply; target expansion of reclaimed water								
	To evaluate the evolution of City of Palm Coast Recreation and Parks Facilities Master Plan projects	Develop a phased approach to financing and constructing Long Creek Nature Preserve concept; build bicycle/pedestrian connections; identify user experiences through technological and innovative design enhancements								
	Evaluate current "Green" initiatives and targeted projects that are sustainable	Reduce waste; staying in front of sustainable communities in the State of Florida; develop Alternative Energy Strategy; implement City-wide energy savings program								
	Protect the environment through appropriate development strategies	Protect natural green spaces								
Vision: To be recognized as one of Florida's premier cities in which to live, work and play										

2012-2013 Strategic Action Plan

Implementing a Vision

Goal	Objective	Strategy	Administration	Community Development	Engineering & Stormwater	Finance	Fire	IT&C	Parks and Recreation	Public Works
Short-Term			Approach Assignments							
Goal 5: Quality of Life To enhance the quality of life for our citizens by providing safe, affordable, and enjoyable options for cultural, educational, recreational, and leisure-time events	Enhance community and visitors' recreational opportunities and experiences at community events	Identify fun and interactive elements into community events; promote the variety of local leisure and recreational activities								
	Enhance safety measures throughout the community	Identify enhancements to reduce hazards in parks; enhance safety improvements at intersections and along roadways; seek partnerships to educate public; improve ISO standards; target natural hazard mitigation opportunities; Comprehensive Emergency Management Plan training								
	Seek partnerships with educational institutions to expand community educational and cultural opportunities	Share resources between organization to broaden experiences; expand outreach opportunities to identify and network resources								
Vision: To be recognized as one of Florida's premier cities in which to live, work and play										

Goal	Objective	Strategy	Administration	Community Development	Engineering & Stormwater	Finance	Fire	IT&C	Parks and Recreation	Public Works
Short-Term			Approach Assignments							
Goal 6: Workforce Talent To develop and implement a comprehensive plan to improve City employee skills and performance through education and training; performance management; and personal development opportunities	To develop a program to improve staff retention and recognize individual skills and talents	Establish a program to identify individual skills and foster improvement of professional skills; assess pay rates and benefits; develop an Employee Motivation and Reward Program								
	To develop in-house and identify external training opportunities for employees	Create a comprehensive training program; assess staff positions, training, certification, public policy needs that benefit the Organization and the Community								
	To enhance awareness of customer service relationships with our citizens	Establish a program that solicits customer feedback and ensure follow-up consultation; develop a reach-out initiative to enhance community awareness of City services; create a customer service element to City-wide training program								
	To coordinate with regional public and private educational institutions to identify partnership opportunities which benefit both parties	Seek and solicit student internship opportunities; enhance faculty relationships and partnership opportunities; assist with curriculum development to develop future employees								
Vision: To be recognized as one of Florida's premier cities in which to live, work and play										



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The Perfect Place to Live...

Before 1969, land that would eventually become the City of Palm Coast was considered by some as nothing more than a “big pine-covered swamp.” But when the corporate eyes of ITT/Levitt looked upon the virtually uninhabited land, they saw 22,000 acres of golf courses, marinas, oceanfront motels, scenic drives, and house lots awaiting the arrival of sun-seeking “pioneers.” Marketing strategies targeting urban residents in the north and midwest offered slices of land cut out of miles of forests, and soon a 500-mile infrastructure of roads, utilities, and sewer lines bound Palm Coast to a future that included becoming the largest planned unit development in Florida history.

International Telephone and Telegraph Corporation (ITT) began as an international communications firm in the 1930s. It grew to become a multinational corporation by 1968 with an income estimated over \$7 billion. From the outset ITT provided the financial muscle to purchase large tracts of land and pay the enormous cost of constructing an infrastructure to create a huge development in rural Flagler County, Florida. The man in charge of the Palm Coast development from its inception until 1975 was Levitt and Son’s Dr. Norman Young whose marketing group planned and named this project.

In a February 1970 report to the Flagler Chamber, Dr. Young projected the completion of a sales/model center, a golf course, and homes for the residents by the end of the year. The first building erected, the Welcome Center, served as the hub for sales activities and was surrounded by pleasant walkways leading to a dozen model

homes. The 64-foot high observation tower provided panoramic views of the surrounding woods, lakes, streams, Intracoastal Waterway (ICW), and Atlantic Ocean. It presided over a golf course, model homes, canals, and early home construction that was to become the “core area” of Palm Coast.



At first there were no public roads. Earliest visitors came from Route A1A to a small dock on the east side of the ICW and proceeded by boat to the Welcome Center on the main canal. When the prospective buyers arrived, they were taken by elevator to the top of the tower. Much of the land was sold sight unseen from a platted map for as low as \$3,500 by the sales person, pointing away from the tower and saying, “It’s out there somewhere.”

The Welcome Center was the only public building in Palm Coast for almost two years after the earliest “pioneers” occupied their homes in January 1972. In later years the building, models, boat docks, and road access were updated. The center hosted a continuous stream of visitors and buyers who received their first look at an area being advertised as possibly “the perfect place to live.”

Much of the tremendous growth in Palm Coast through the early 1990s came from sales generated at the Welcome Center. It was sold after ITT left the community in 1995 and the building was torn down.

From their start in 1969 until ITT withdrew in 1995, the corporation essentially provided most of the services and leadership in Palm Coast. They had planned, built, and maintained a model environmental community. In a unique private/government relationship, ITT had financed Palm Coast's most necessary improvements. The interchange at I-95 and the Hammock Dunes bridge were funded at relatively unnoticeable cost to local taxpayers and the state. As ITT withdrew from the Palm Coast community in the years from 1994 to 1996, the void left by its departure was increasingly felt in the community.



The complicated and often contentious process of incorporation began. Flagler County

residents' opposition groups debated. The county authorized a feasibility study, the state legislative delegation sponsored incorporation, and the Florida state government approved the referendum.

On September 21, one week after Hurricane Floyd postponed the vote, more than 60% of the nearly 12,000 voters casting ballots in the referendum had opted to turn the unincorporated population center of Flagler County into a city. On December 31, 1999 residents of Palm Coast not only celebrated the end of a millennium and a century, but a new year and a new city.

The City of Palm Coast's population on January 1, 2000 is estimated at 29,360. The mayor, city council, and city manager all seemed to agree that this first year's emphasis should be on planning rather than forging ahead without giving sufficient thought to the complicated problems facing a new city.

Originally, city business was done in two-and-a-half rooms of the present Community Center. In March, newly chosen city manager Richard Kelton arranged to rent office space at the former ITT headquarters building at One Corporate Drive. By May, the Flagler County Commission turned over the former county library to be renovated and used by the city as its first "permanent" city hall. A public opening celebration was held on October 26, 2000.

In 2001, providing residents with essential government services and promoting the community's economic growth were two major goals. As a result of joint meetings of Palm Coast City Council and Flagler County Commissioners,

the county turned over many parcels of land to the city benefiting fire, public works, recreation and parks, and the locating of new schools by the board of education. At the same time, the city began studying the acquisition of its water sources.

In future years, Palm Coast purchased their own water company, relocated their city hall after selling their building to bring in a new business and annexed 5,800 acres in the north-west corner of Flagler County near the St. John's County line. Most significant to the city's future was the approval of a large site for Town Center which would provide the city with 1 million feet of office space, 2 million feet of retail/commercial space, 750,000 feet of institutional buildings, a 2,400-seat movie theater, and 240 nursing home beds. City Council passage started the process of seeking approval of the massive DRI by state agencies.



By 2004, Palm Coast residents numbered 50,000 and its designation as a micropolitan city was announced.

By the end of 2005, Palm Coast was officially designated as the "fastest growing

micropolitan area" in the country by the United States Census Bureau. The population had more than doubled to over 64,500 in the six years since incorporation

In 2006, Cobblestone Village started construction, Palm Coast was named "Tree City USA" by the National Arbor Day Foundation, and a room was provided on the side of city hall for the Palm Coast Historical Society. The city saw an increase in the amount of commercial construction activity in 2006, especially in the new Town Center where Walgreens and Publix, the first retail stores, opened on the west side of the site. Town Center is to be the "heart of Palm Coast."

Wal-Mart had opened in Palm Coast in 1987 and upgraded to a supercenter thereafter and now a newly constructed four-lane road is prepared to accommodate a future second store. The grand opening of the Target Superstore in July 2008 provided a great stimulus to the shops at Town Center. The city had reason to celebrate its "dynamic decade" at their 10th anniversary.

Palm Coast started the year 2013 with approximately 76,450 residents. Newspapers have reported a 2% drop in the unemployment rate and home sales are reported to be at a seven-year high. In a general spirit of recovery, Palm Coast seems well suited to continue its well-paced continued growth that is the mark of a well-planned community. There are reasonably priced home sites in all sections of the city and the northwestern part has a huge acreage with infrastructure in place to accommodate commerce, industry, and new residents to join us in enjoying our way of life.

Following is a time line of the most significant openings and events of ITT Corporation

1970 – Welcome Center opens.

1971 – First new road in Palm Coast opens and home construction begins. Palm Coast Golf Club (now Palm Harbor) opens first nine holes.

1972 – First residents move into homes on Casper Drive. Palm Coast Yacht Club (now a Centex project) opens.

1973 – First small business (Handy Way Convenience Center) opens.

1974 – Sheraton Palm Coast Inn on the ocean opens (later it becomes the site of the Hammock Dunes clubhouse). Palm Coast Flagler County High School, on ICDC-donated land, is built.

1975 – Palm Coast Service District is formed, the first step toward home rule. Alan Smolen replaces Dr. Norman Young as president of ICDC.

1976 – St. Mark by the Sea, the city's first church, opens. Palm Coast Fire District is created.

1977 – Decca Marine, the city's first industrial firm, opens.

1978 – A state-mandated Comprehensive Land Use Plan limits ITT to 42,000 acres of development and a maximum of 224,000 people.

1979 – Palm Harbor Shopping Center, anchored by Publix and Eckerd's, opens as does Belle Terre Swim and Racket Club.

1980 – Palm Coast Marina opens.

1981 – I-95 interchange opens.

1982 – Flagler County Humane Society opens animal shelter.

1983 – Flagler County Library opens in Palm Harbor Shopping Center; Daytona Beach Community College opens a branch campus on ICDC-donated land.

1984 – Hammock Dunes development approved.

1985 – Jim Gardner replaces Alan Smolen as ICDC president.

1986 – The Players Club, site of USTA-sponsored tennis tournaments, opens.

1987 – Remodeled Sheraton Resort replaces former Yacht Club. Wadsworth Elementary School opens.

1988 – Hammock Dunes toll bridge over ICW opens with big celebration.

1989 – ITT's Admiral Corporation builds Hammock Dunes and Island Estates.

1990 – Palm Coast population reaches 18,556.

1991 – Old King's Elementary School and Flagler Auditorium open.

1994 – ITT CEO states company is looking to sell off most of its Palm Coast assets.

1995 – I-95 intersection gets four lanes. Major selling of assets continues. Grand Haven construction begins.

1997 – Palm Coast Civic Association and Flagler County Citizens League combine to foster incorporation of a city to fill the void left by ITT.

This short history represents the author's continuing love affair with the Palm Coast community. The people who pioneered Palm Coast formed a partnership with the developer, ITT, together overcoming frontier obstacles in a spirit of mutual respect, active participation and community cooperation. Each contributed to some phase of a rich full life in a beautiful environmental setting. This author believes that ITT was successful in its 25 years of building and managing a planned growth community. It is my hope that Palm Coast's present remarkable growth can be sustained and managed and that its people will continue their cooperative community spirit channeled toward an even richer fuller life in pursuit of "the perfect place to live."

Art Dycke, City Historian (Volunteer), Kay Stafford, Editor, THE PALM COAST HISTORIAN

Our City, at a glance...

STATISTICAL INFORMATION

INITIAL INCORPORATION:	December 31, 1999
FORM OF GOVERNMENT:	Council / Manager
CITY POPULATION:	76,450
AREA: Square Miles	81
LEISURE SERVICE FACILITIES:	
Community Centers	1
Swimming Pools	1
Baseball / Softball Fields	8
Basketball Courts	5
Bocce Ball Courts	3
Handball / Raquetball Courts	6
Shuffleboard Courts	2
Tennis Courts	17
Volleyball Courts (Sand)	2
Playgrounds	8
PUBLIC SAFETY:	
Fire Stations	5
Firefighters / Volunteers	57 / 27
Law Enforcement (Contract Service)	-
FACILITIES:	
Miles of Paved Streets	551
Miles of Unpaved Streets	0.5
Miles of Sidewalks, Walkways, and Bikepaths	91
Number of Street Lights	2,942
Number of Traffic Signals	52
Number of Public Buildings	100
CITY UTILITIES:	
Water Customers	37,401
Wastewater Customers	35,313
Solid Waste Customers	32,549
Stormwater Customers	50,104
SCHOOL ENROLLMENT: K-12	13,000



Our City, at a glance... (continued)

POPULATION STATISTICS

Fiscal Year Ended	Palm Coast Population	% Change During the Period	Flagler County Population	% Change During the Period
1999	30,767		45,818	
2000	32,732	6.39%	49,832	8.76%
2001	35,443	8.28%	53,061	6.48%
2002	38,348	8.20%	57,709	8.76%
2003	42,850	11.74%	61,618	6.77%
2004	50,484	17.82%	69,683	13.09%
2005	58,216	15.32%	78,617	12.82%
2006	67,832	16.52%	89,075	13.30%
2007	70,376	3.75%	93,568	5.04%
2008	74,590	5.99%	95,512	2.08%
2009	73,910	-0.91%	94,901	-0.64%
2010	74,067	0.21%	94,905	0.00%
2011	75,180	1.50%	95,361	0.48%
2012	76,450	1.69%	97,376	2.11%

MILLAGE RATE COMPARISON

Jurisdiction	2011 Operating Millage	Rank (Low to High)	2012 Operating Millage	Rank (Low to High)
Beverly Beach	2.3	1	2.3	1
Bunnell	6.9506	6	6.9506	5
Flagler Beach	4.85	4	5.1244	4
Flagler County *	6.2232	5	7.08	6
Marineland	7.3823	7	9.3912	8
Ormond Beach **	4.2014	3	4.0132	2
Palm Coast	3.54	2	4.1502	3
St. Augustine	7.5	8	7.5	7

* The millage rate for Flagler County is the General Fund millage, which is paid by all residents in Flagler County.

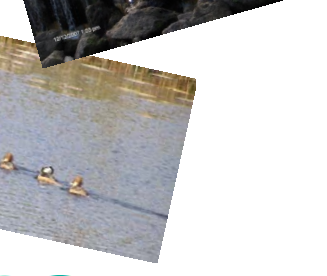
** Includes debt service millage.



Our City, at a glance... (continued)

Quick Facts (this data provided by the US Census Bureau)

Population, 2011 estimate	76,499
Population, percent change, April 1, 2010 to July 1, 2011	1.80%
Persons under 5 years, percent, 2010	5.40%
Persons under 18 years, percent, 2010	21.40%
Persons 65 years and over, percent, 2010	23.00%
Female persons, percent, 2010	52.20%
White persons, percent, 2010 (a)	79.90%
Black persons, percent, 2010 (a)	12.70%
American Indian and Alaska Native persons, percent, 2010 (a)	0.30%
Asian persons, percent, 2010 (a)	2.50%
Native Hawaiian and Other Pacific Islander, percent, 2010 (a)	0.10%
Persons of Hispanic or Latino origin, percent, 2010 (b)	10.00%
White persons not Hispanic, percent, 2010	72.80%
Living in same house 1 year & over, percent, 2007-2011	86.70%
Foreign born persons, percent, 2007-2011	15.30%
Language other than English spoken at home, percent age 5+, 2007-2011	17.40%
Veterans, 2007-2011	8,310
Mean travel time to work (minutes), workers age 16+, 2007-2011	24.8
Homeownership rate, 2007-2011	79.50%
Housing units in multi-unit structures, percent, 2007-2011	5.10%
Median value of owner-occupied housing units, 2007-2011	197,000
Households, 2007-2011	27,677
Persons per household, 2007-2011	2.65
Per capita money income in the past 12 months (2011 dollars), 2007-2011	22,929
Median household income, 2007-2011	48,594
Land area in square miles, 2010	90
Persons per square mile, 2010	837



Our City, at a glance... (continued)

Utility Rate Comparison

Jurisdiction	Water Charge		Wastewater Charge	
	Residential	Rank	Residential	Rank
	(4,000 gallons)	(Low to High)	(4,000 gallons)	(Low to High)
Bunnell	\$37.17	5	\$42.76	5
Flagler Beach	\$35.88	4	\$28.88	3
Flagler County	\$55.04	6	\$33.30	4
Ormond Beach	\$26.51	1	\$24.04	1
Palm Coast	\$29.54	2	\$25.10	2
St. Augustine	\$35.54	3	\$46.47	6

Jurisdiction	Solid Waste		Stormwater	
	Charge	Rank	Charge	Rank
	(Residential)	(Low to High)	(Residential)	(Low to High)
Bunnell	\$18.31	4	N/A	N/A
Flagler Beach	\$15.37	1	\$4.00	1
Flagler County	\$20.78	6	N/A	N/A
Ormond Beach	\$16.48	2	\$8.00	3
Palm Coast	\$19.82	5	\$11.65	3
St. Augustine	\$16.61	3	\$5.00	2



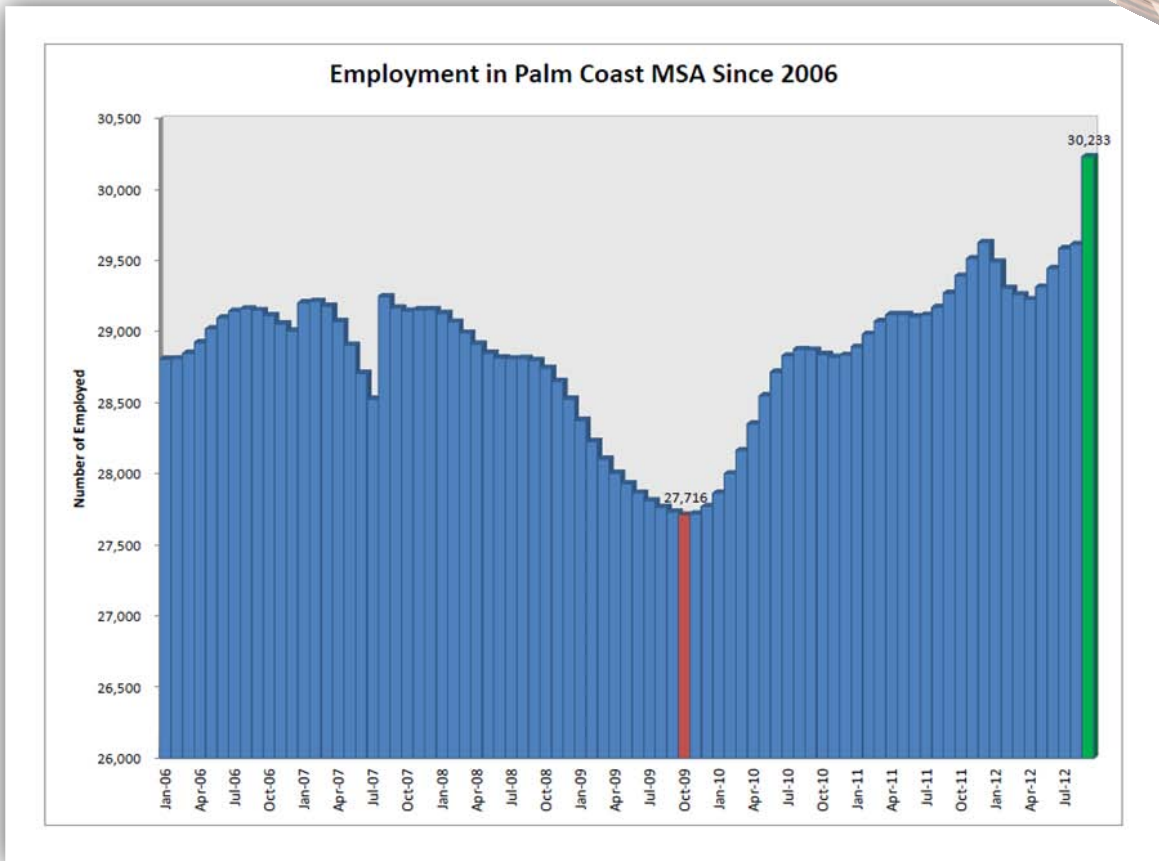
Our City, at a glance... (continued)

Employment Data

Flagler County, Top 10 Employers

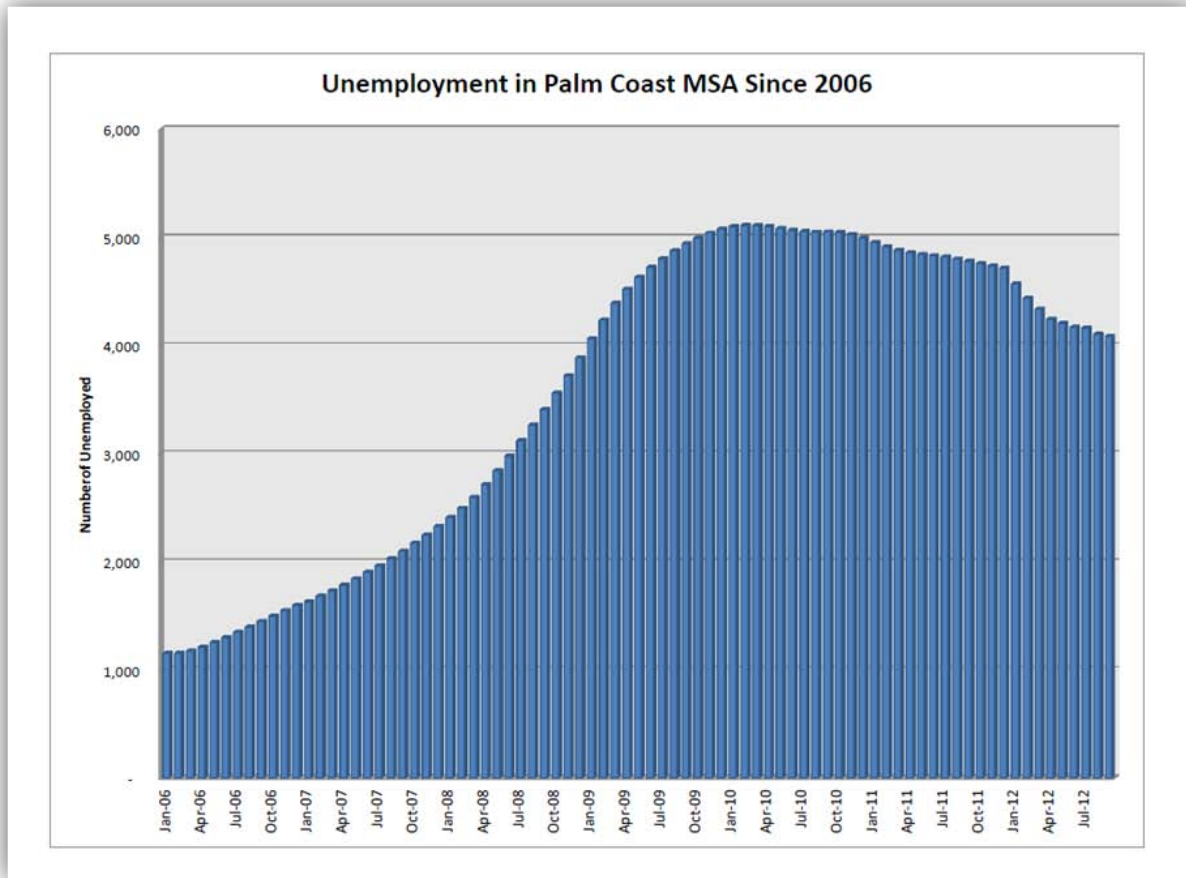
1. Flagler County Schools: 1,741
2. Palm Coast Data: 1,100
3. Florida Hospital Flagler: 900
4. Publix: 560
5. Hammock Beach Resort: 475
6. Wal-Mart: 425
7. City of Palm Coast: 386
8. Sea Ray Boats Inc.: 375
9. County of Flagler: 297
10. Flagler County Sheriff's Office: 264

SOURCE: Flagler County Chamber of Commerce



Our City, at a glance... (continued)

Employment Data



Our residents were not immune to the nationwide unemployment crisis that occurred over the last several years. However, records indicate that the unemployment rate for the City continues to decline significantly since it reached an all time high in 2009. We believe the commercial development in our area and the improving state-wide economy is having a positive effect on this rate for our area.



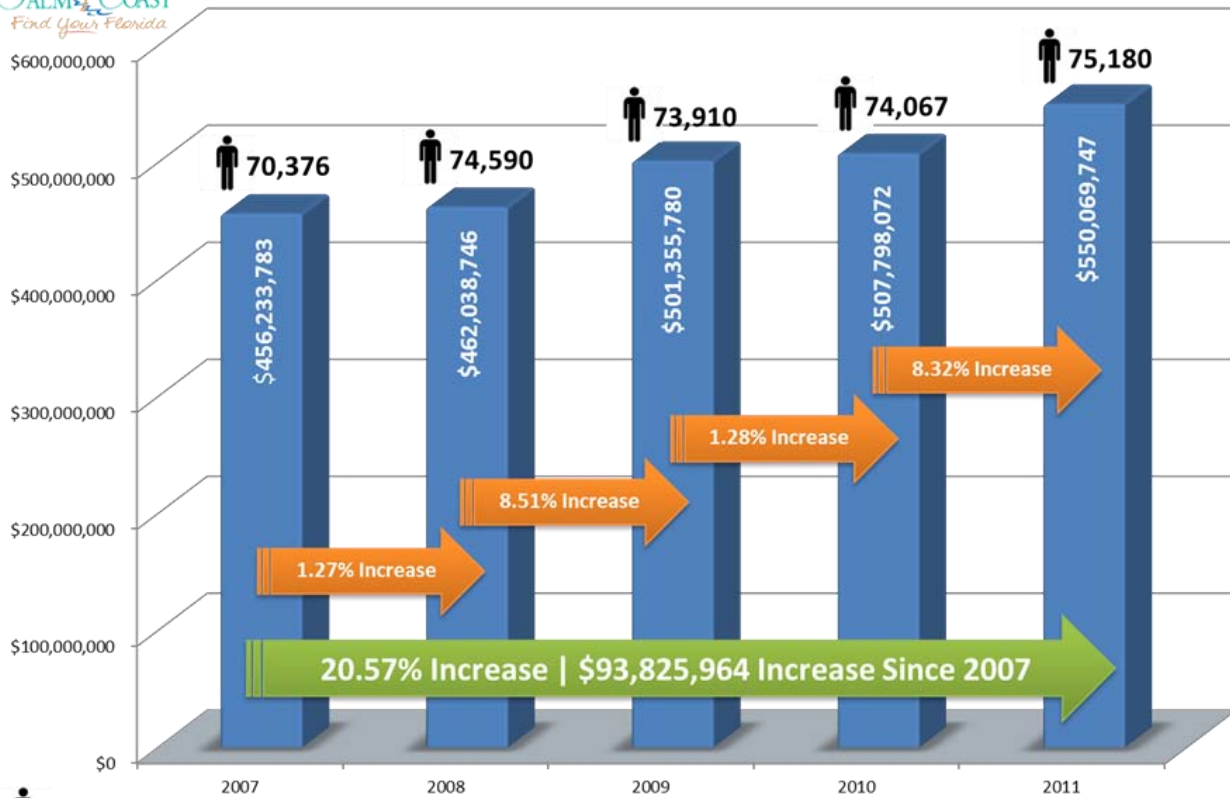
Our City, at a glance... (continued)

Principal Property Tax Payers

Owner Name	Total Taxable Value
FLORIDA POWER & LIGHT COMPANY	\$ 63,726,395.00
INLAND DIVERSIFIED PALM COAST	\$ 18,670,588.00
BELLSOUTH TELECOMMUNICATIONS I	\$ 14,017,204.00
INTEGRA WOODS LLC	\$ 13,181,928.00
BRIGHT HOUSE NETWORKS	\$ 11,703,121.00
FLORIDA LANDMARK COMMUNITIES	\$ 10,952,303.00
PALM COAST MEDICAL SPECIALISTS	\$ 10,889,829.00
WAL-MART STORES EAST LP	\$ 10,430,958.00
CELEBRITY RESORTS OF PALM	\$ 10,346,400.00
TARGET CORPORATION T-2364	\$ 9,800,000.00

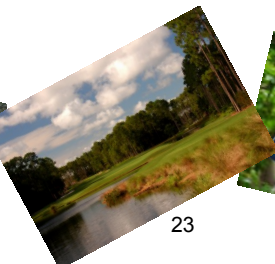


Taxable Sales in Palm Coast



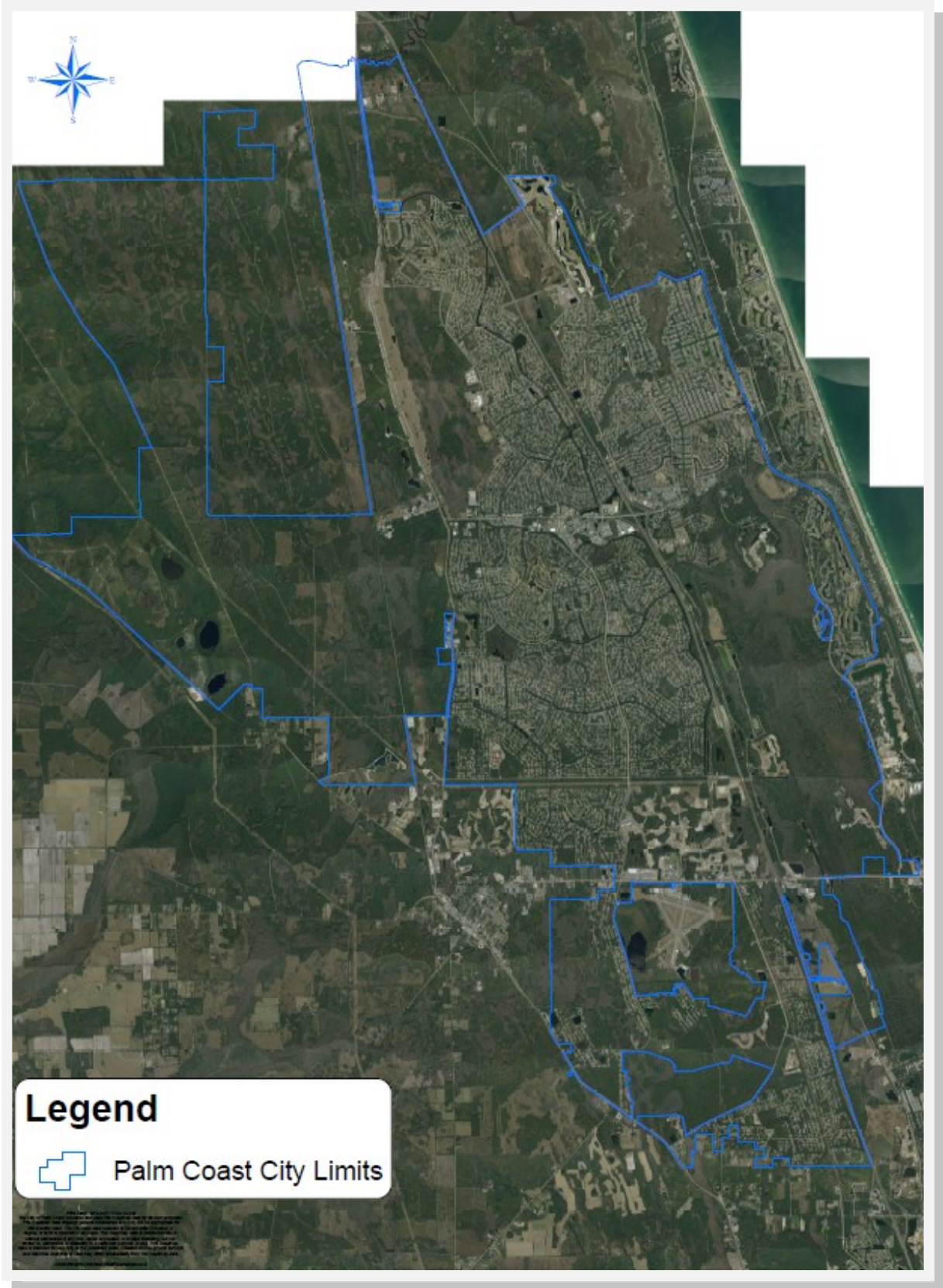
Population

Source: Florida Department of Revenue



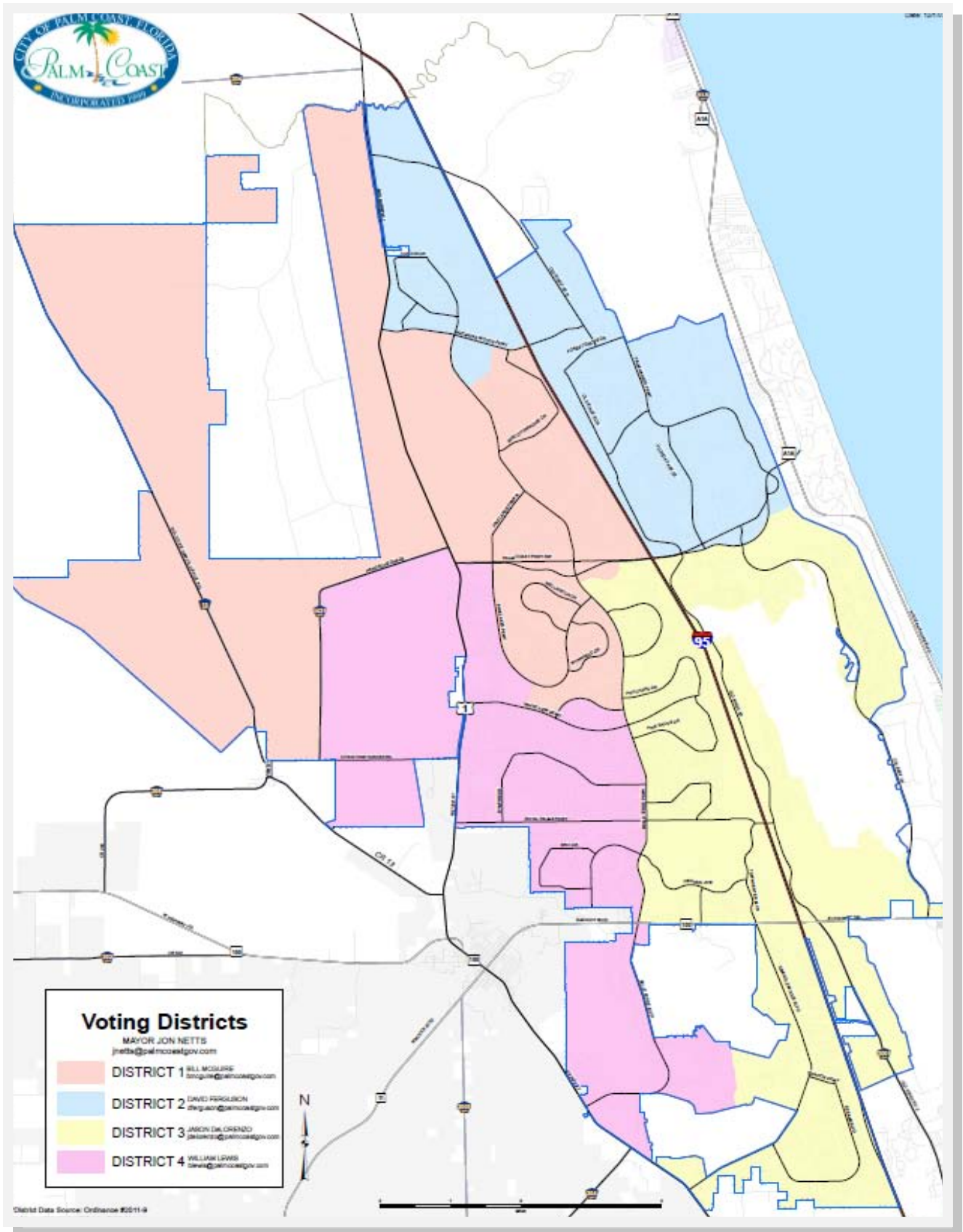
Our City, at a glance... (continued)

City Aerial map



Our City, at a glance... (continued)

Voting Districts





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Back Cover