

ECONOMIC DEVELOPMENT ELEMENT

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I. BACKGROUND INFORMATION

i. Purpose of Economic Element

The Economic Development Element is an optional element in the City of Freeport' Comprehensive Plan. The Economic Development Element describes current economic conditions in Freeport, forecast conditions for optimum economic development and presents a strategy for implementing these conditions.

The City of Freeport will use the Economic Element as a guide for achieving desirable economic development to foster an improvement in the quality of life for residents and commerce. This element will focus on how the City can support a local economy, protect the community from economic downturns, and encourage prosperity during periods of economic growth while factoring state, national, and global economic events and policies.

ii. Approach to the Economic Element

The Economic Element is based on best available data of measurable economic indicators, trend analyses, and assumptions based on the measurable economic trends. Relevant data will be interpreted from the 2000 Census data.

The Economic goals, objectives and polices were formulated to provide guidelines for achieving economic development, which is consistent with the Comprehensive Plan and the City's many assets.

An objective approach to evaluating Freeport' economic potential will focus on the advantageous location of the City and consider the best plans for capitalizing on such.

C. Data and Analysis

(1) General Demographic Characteristics

The City of Freeport is located within Walton County, Florida. It encompasses approximately 16.6 square miles with a population of 1,235 persons. Out of the three municipalities located in Walton County, Freeport is ranked second in population and development. Table 1 shows the general population characteristics of the City of Freeport.

Table 1
General Population Characteristics of the City of Freeport

Characteristics	Population*	Percent
Total Population		
City of Freeport	<u>1,235</u>	100.0 %
Walton County	40,601	...
Other Municipalities	5,745	...
Number of Households	508	100.0 %
Average Household Size	2.43	...
Race		
White	1,104	92.8 %
Black	28	2.4 %
Other	58	4.8 %
Sex		
Male	593	49.8 %
Female	597	50.2 %
Age		
0-14	254	21 %
15-24	158	13 %
25-44	327	27 %
45-64	285	24 %
65+	166	15 %

*Source: 2000 Census

(2) Population

The City of Freeport continues to increase in population after a decline at the beginning of the century. Increasing construction, cost of property, and lack of property in surrounding areas has drawn the average income families to Freeport. Infrastructure needs have been consistent with the growth pattern. Table 2 represents the population change for Walton County and other municipalities within the County. Table 3 details Freeport population growth against County population growth and other municipalities.

**Table 2
Population Change from 1970 to 2010**

County/City	1970	1980	1990	2000	2010 Projection	2020 Projection
Walton County	16,087	21,300	27,760	40,601	57,995 60,875	92,970
DeFuniak Springs	4,966	5,563	5,120	5,089 5,152	5,150 5,121	5,090
Freeport	518	669	843	1,190 1,235	1,632 1,744	2,463
Paxton	243	659	600	656 649	1,144 679	775
Unincorporated	10,360	14,409	21,197	33,666 33,565	53,957 53,301	84,642
WFRPC Region	444,805	547,974	675,633	811,006	1,010,143	1,258,176

Source: U.S. Census and "Florida Estimates of Population 2002," Bureau of Economic and Business Research, University of Florida

**Table 3
Freeport Population Growth vs. Other Municipalities and Walton
County Population Growth**

Year	Walton County Population	Freeport Population	% of County Population in Freeport	DeFuniak Springs Population	Paxton Population
1970	16,087	518	3.22 %	4,966	243
1980	21,300	669	3.14 %	5,563	669
1990	27,760	843	3.04 %	5,120	600
2000	40,601	1190	2.93 %	5,089	656
2002 Est.	45,521	1208	2.65 %	5,168	671
Avg. Annual Growth Rate	5.72%	4.16%		0.13%	5.50%

Source: U.S. Census and "Florida Estimates of Population 2002," Bureau of Economic and Business Research, University of Florida

(3) Income

Household income levels can be a good economic indicator for an area as they demonstrate the purchasing power and savings capability of each household, which in turn, generates funds for investment. The Federal Economic Development Administration (EDA) considers the measurement of per capita income when it is

determining economic distress. To be considered "distressed," an area must have a per capita income equal to 80% or less of the U.S. per capita income (\$22,199 in 2000). As seen in Table 4 all municipalities in Walton County would be considered in economic distress by EDA.

Although the City of Freeport is below the US per capita income it is the strongest of the municipalities. The location of Freeport is probably the best asset for future income projections. The build out of coastal communities, expansions of federal installations, and the increasing cost of construction has placed the City of Freeport in a marketable area. Thus drawing commercial, industrial, and single family dwellings.

Table 4
Walton County/Other Municipalities/City of Freeport
Per Capita Income and Poverty level 2000

Poverty Status	Walton Co. Population	Freeport Population	DeFuniak Springs Population	Paxton Population
Population				
Total Population	40,601	1,190	5,089	656
All persons determined	32,813	952	3,969	527
% of persons below poverty level	14.4%	21.4%	18.4%	12.3%
% of families below poverty level	11.6%	18 %	18.2%	7.1%
Per Capita Income				
Median Household	\$32,407	\$25,735	\$24,516	\$24,625
Median Family	\$37,663	\$33,214	\$28,750	\$35,000
Median Non-Family	\$24,003	\$25,297	\$21,737	\$23,578
Per Capita Income	\$18,198	\$14,114	\$13,298	\$14,108
Percent of US PCI (22,199)	82%	64%	60%	64%

Source: 2000 Census

(4) Labor Force, Employment and Unemployment

As noted in Table 5 the City of Freeport has the lowest unemployment rate of the municipalities in Walton County. The diversity of employment within Freeport was divided among the following sectors: Construction/Manufacturing (17%),

Retail/Wholesale Trade (19.4%), Professional/Education (22.1%), Services (18.6), Public Administration (8.6%), Transportation (5.1%), and Other (8.9%). The highest percentage of "professional/education" is likely due to the Walton County school system. The major employers in Freeport include, the school system, Freeport Truss & Lumber, Blue Ridge International, and Freeport Shipbuilders. Employment in the private sector is the most vulnerable for unemployment, yet each company listed has been in Freeport for over 5 years and most over 10 years.

**Table 5
Unemployment Rate - 2000**

	Freeport	DeFuniak Springs	Paxton	Walton Co.
Labor Force	509	1,906	284	18,063
Employed	488	1,769	271	17,188
Unemployed	21	127	13	875
Unemp. Rate	4%	7%	5%	5%

Source: 2000 Census

(5) Vacancy Rates

The City of Freeport and the City of Paxton have the lowest vacancy rate in Walton County. In the southern section of Walton County there are many vacation resort area that rely on the tourist industry. The municipalities have little tourism, so the figures in Table 6 represent permanent residents. The City of Freeport has always suffered from the lack of rental units for seasonal workers.

**Table 6
Residential Vacancy Rates – Walton County and Municipalities**

	Freeport		DeFuniak Springs		Paxton		Walton Co.	
	Units	%	Units	%	Units	%	Units	%
Total	577	100%	2,483	100%	302	100%	29,083	100%
Occupied	511	89%	2,117	85%	268	74%	16,548	57%
By owner	185	36%	1,214	57%	197	74%	7,284	44%
By rental	148	29%	768	36%	34	13%	3,341	20%
Vacancy	66	11%	366	15%	34	11%	12,535	43%

Source: 2000 Census

(6) Economic Development

The City of Freeport was designated an Enterprise Zone on July 1, 1996. At that time the City only encompassed 3 square miles of area. On January 1, 2000, the designation was increased to include annexed property since the first designation in 1996. This created an area of 10.3 square miles of an Enterprise Zone. This designation benefits businesses with tax credits, residents with jobs and the City by improving the tax base and community contributions. Table 7 presents the various zoning districts that the City of Freeport now has. Since the entire City is designated as an Enterprise zone all zoning designations benefit from the tax credits. The City also offers an additional property tax exemption for the elderly on residential property ad valorem taxes.

Table 7

Zoning Percentages in the City of Freeport

Residential Agriculture	15.23%
Rural Residential	20.51%
Low Density Residential	9.24%
Medium Density Residential	16.03%
High Density Residential	4.79%
Residential/Neighborhood Commercial	3.04%
General Commercial	5.35%
High Intensity Commercial	.71%
Light Industrial	.68%
General Industrial	1.70%
Public Service	2.33%
Conservation	7.65%
Special Development	12.72%

Source: West FL Regional Planning Council