

**POLK RECESSION MIRRORS NATIONAL ECONOMY**

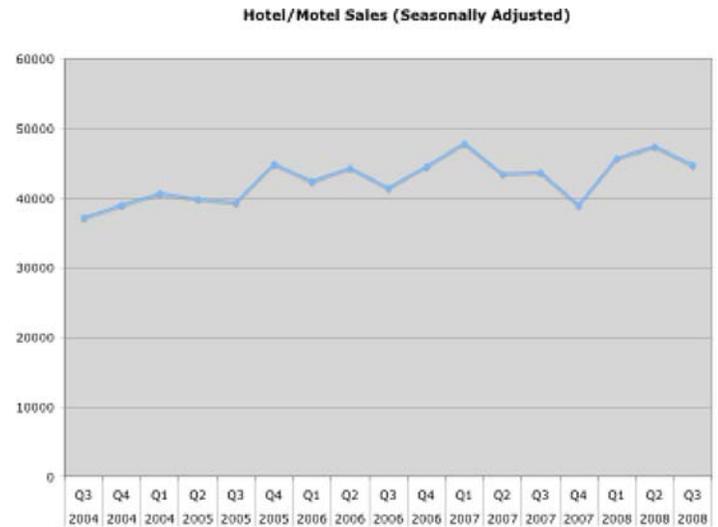
The Polk Progress Index (PPI) was essentially unchanged in Quarter 3, but is down 2% from a year ago. It now appears that a recession began here in Polk County about a year before the national economy began to contract, and that the local downturn has been more severe to date. This is largely attributable to the fact that the Polk economy is so heavily dependent on housing construction.

The Polk Progress Index, which is a weighted composite index of several individual indicators of economic activity, began a sustained plunge in the second quarter of 2006. Home sales began dropping in the 4th quarter of 2005, but this didn't translate into a decline in construction until single-family building permits began to dive in the second quarter of 2006. That also caused the overall PPI to start its decline that same quarter. But the downturn in the PPI in 2006 was exaggerated by the importance of home sales in its composition.

I believe that the local recession actually began in the second quarter of 2007, when employment peaked and taxable sales first began to contract. The Polk unemployment rate has been rising since the 1st quarter of 2007, and population growth has been minimal over the same period as reflected in the number of residential electric connections maintained by the City of Lakeland.

The PPI figure for the third quarter of 2008, the latest figure available, is down 2% from a year ago, and 3.1% from the second quarter of 2007. The Polk economy will likely continue to falter until the local housing market stabilizes.

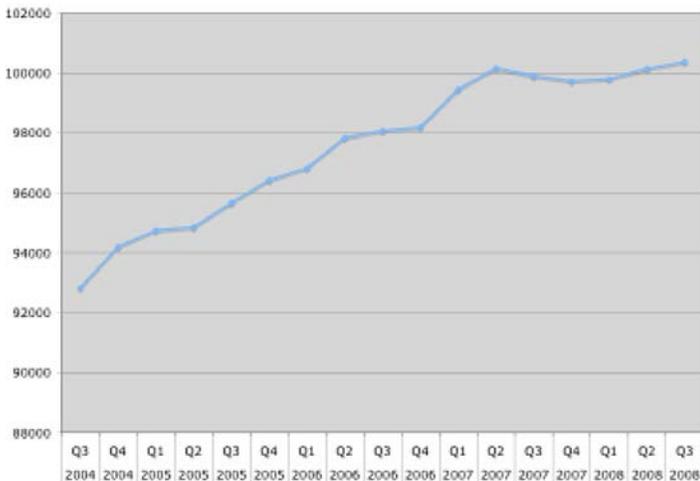
**SALES** - Retail sales in Polk County fell a seasonally adjusted 1.4% in the third quarter based on preliminary data. Consumer spending remains weak as actual (unadjusted) sales for the first nine months of 2008 are down 7.7% (\$437.5 million) from the same period in 2007. The downturn in spending is even more severe if figures are adjusted for inflation over the same period.



Local tourism continues to hold up remarkably well. Quarter 3 sales at area hotels and motels are comparable to the same quarter a year ago. Total sales over the first three quarter of 2008 are actually up 1.3% from the same period in 2007 before inflation.

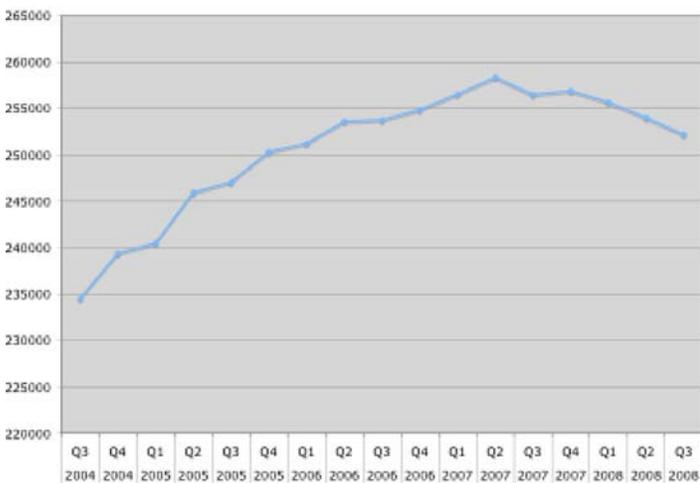
**POPULATION** - Data on the number of residential electric connections maintained by the City of Lakeland serve reasonably well as a proxy for local population growth. In previous years the number of connections has risen by about 3% annually, which correlated with about a 2% increase in population for the county as measured by the U.S. Department of Census. In the past year, the number of residential connections has been flat, suggesting that local population growth has been minimal.

Residential Electric Accounts (Seasonally Adjusted)



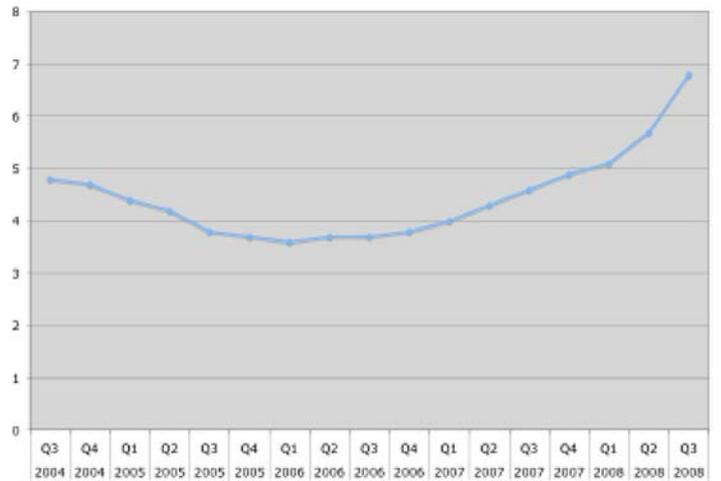
**EMPLOYMENT** - The number of persons employed in Polk County in Quarter 3 was 1.7% below the same quarter in 2007, a decline of 4,335 jobs over the course of the year. Local employment has been dropping since a peak achieved in the second quarter of 2007. The average level of employment in the first three quarters of 2008 is 1.2% below the average employment over the same period in 2007.

Total Employment



The unemployment rate in Polk County was 7.9% in both August and September, the highest in a decade. The local unemployment rate now stands at 7% on a seasonally adjusted basis. The Polk unemployment rate has been undergoing a sustained rise since the first quarter of 2007.

Unemployment Rate (Seasonally Adjusted)

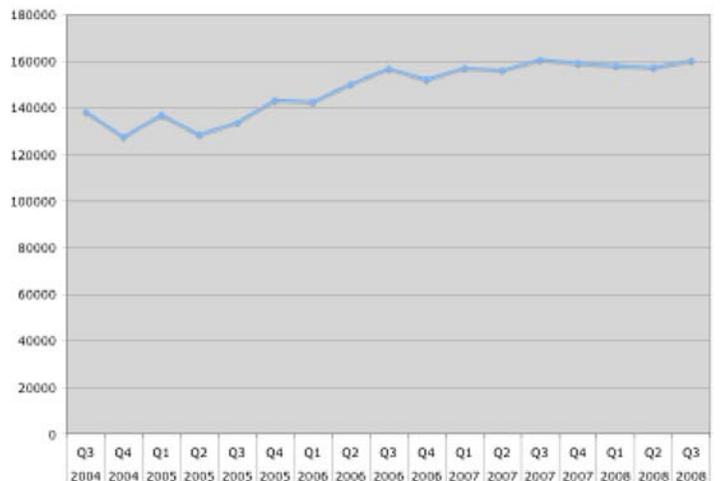


Summit Holdings has announced that it will eliminate 80 jobs in its Lakeland office. The worker's compensation insurance company is based in Lakeland, and has satellite offices in Gainesville, Georgia, and Baton Rouge, Louisiana. The majority of the firm's 990 employees work in Lakeland.

Winter Haven Hospital announced in October that it will lay off 34 employees in the Behavioral Health Division due to funding cut-backs. Available funding for the hospital's mental health programs has fallen by \$3 million over the last 15 months according to WHH President Lance Anastasio.

**MANUFACTURING** - Local manufacturing activity has apparently stabilized over the past year. The number of industrial kilowatt hours sold by Lakeland Electric thus far in 2008 is up an insignificant 0.4% from 2007.

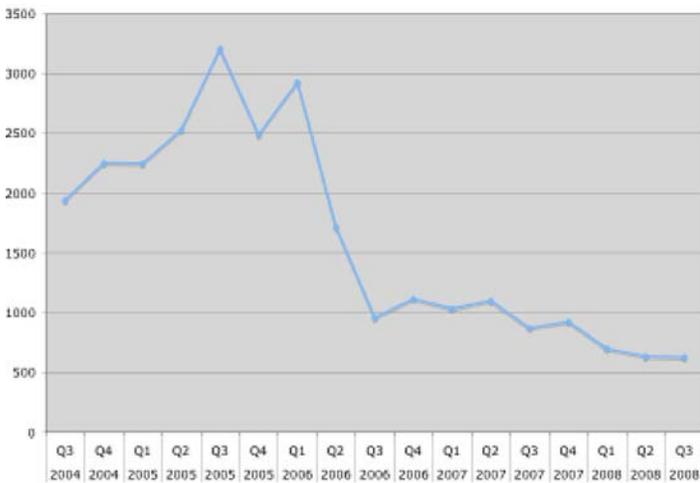
Industrial Kilowatt Hours (Seasonally Adjusted)



**CONSTRUCTION** - The number of single-family building permits issued in Polk County continues to plunge. Quarter 3 permits fell another 1.3% from the preceding quarter after adjusting the data for seasonal factors. Thus far in 2008, the number of permits issued is down 37% from the year before.

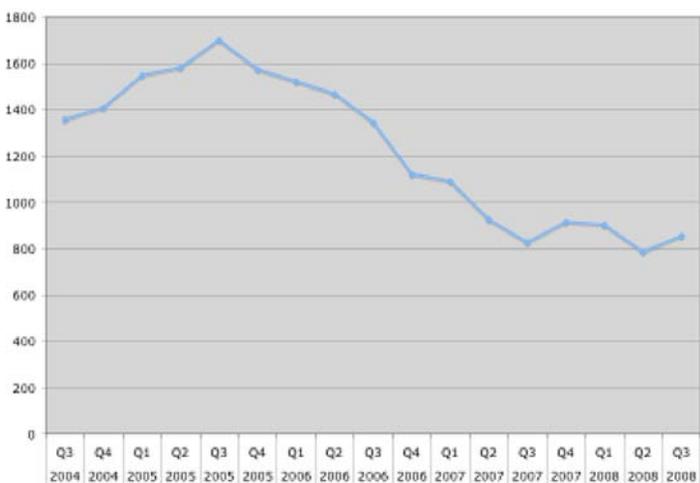
There were 234 permits issued in July, 184 in August, and just 119 in September. The 119 permits issued in September for construction of single-family homes in Polk County is the lowest monthly total since at least 1993.

Number of Single Family Building Permits (Seasonally Adjusted)



Local home sales in the second quarter fell to their lowest level since 1997. Home sales in the third quarter have recovered a bit to a level comparable to the same quarter a year ago. There were 288 homes sold in Polk County during July, 266 in August, and 294 in September. July sales marked the first gain from year-earlier totals in more than two years.

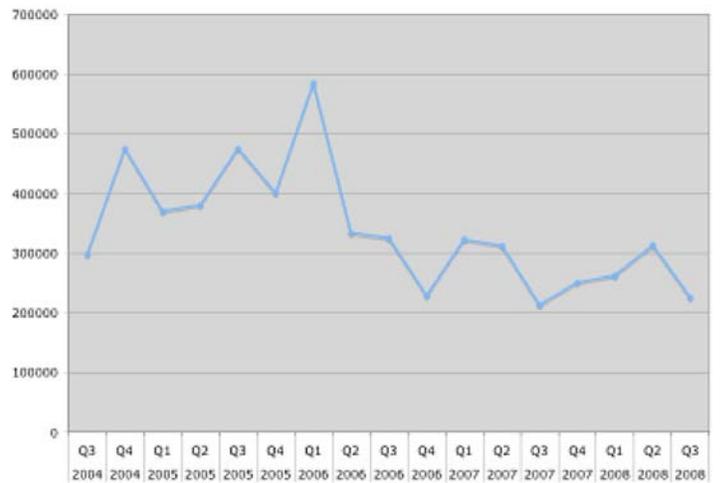
Home Sales (Seasonally Adjusted)



Hesitant buyers and a large inventory of unsold homes continue to act as drags on the local housing market. Median sale prices in Polk were down about 16% in September from a year ago, close to the average for state of Florida. A record high 842 home foreclosures were filed with the Polk Clerk of Courts in September. Thus far there have been more than 6,900 foreclosures filed in the county this year.

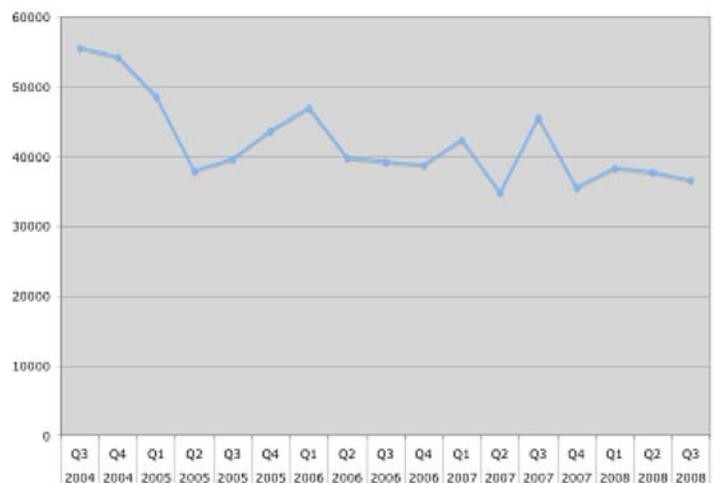
Strong commercial construction in 2008 has taken up some of the slack generated by the collapse in homebuilding. Thus far in 2008, the dollar value of all building permits issued countywide is running just 5.6% below the first nine months of 2007 (down \$47.2 million).

Dollar Value of Building Permits



**CITRUS** - The US Department of Agriculture has released its initial forecast for the 2008-2009 Florida citrus crop. The USDA projects that Florida growers will produce 166 million boxes of oranges this season; a 2.5% decrease from last season's crop of 170.2 million boxes. The forecast for the current grapefruit crop is 23 million boxes, down 14% from 26.6 million boxes in the 2007-2008 crop year.

Citrus Concentrate Movement (Thousands of Gallons)



The USDA announced in September that Florida citrus acreage has fallen by 11% since the last census in 2006. Total acreage statewide stands at 576,577 acres, well below the peak of 941,471 acres in 1970. Polk County remains the largest county in the state for citrus acreage. The current 81,375 acres of citrus in Polk is 5,023 acres less than the total in 2006.

**DEVELOPMENT \*** - GTech Printing Corporation will spend \$45 million to establish a high-tech printing operation in Lakeland to produce scratch-off lottery tickets. The Plant City-based firm is expected to hire 200 local workers at its 100,000 square-foot Lakeland facility located along Frontage Road.

WellDyneRX, a mail order pharmacy and benefit management firm based in Colorado, has opened an office in Lakeland as a precursor to a permanent facility being readied near the intersection of Interstate 4 and County Line Road. WellDyneRX eventually plans a \$20 million investment in an operation that is expected to add 670 local jobs by early 2011.

Hal and Majorie Roberts of Lakeland have donated \$3.5 million to establish the Roberts Academy, a transitional school for intellectually gifted children, at Florida Southern College. The center will be located along MacDonald Street in two buildings that currently serve as the headquarters of the Florida United Methodist Conference. The renovated facilities will also house the FSC department of education and the college's pre-school and kindergarten.

Southeastern University will build a new \$7 million facility to house its administrative offices and MBA program along the shores of Lake Bonny in Lakeland. Construction of the three-store 46,000 square-foot building will likely begin next fall, and take up to 16 months to complete.

The Ruthvens has announced plans to construct 1 million square feet of warehouse space in an industrial park along Interstate 4 in North Lakeland, across from the under-construction campus of the University of South Florida Polytechnic. The latest Ruthvens complex will have 10 buildings, and is scheduled for completion in mid-2009.

The Ruthvens also plan for another 633,000 square feet of warehouse space in a development located near Combee Road in North Lakeland; 437,000 square feet of space near Drane Field Road in West Lakeland; and an additional 50,000 square feet of rentable space at a Reynolds Road location in East Lakeland.

Highland Equities is seeking approval for construction of a 750,000 square-foot industrial/commercial subdivision in North Lakeland. The project will be built on a 48-acre site adjacent to Sleepy Hill Road.

Other development projects in the county include a planned 1 million square-foot commercial park north of Lakeland and Interstate 4 near SR 33. The developer of that project is Rockefeller Group Development Corporation of New York.

Flagler Development of Jacksonville will soon be building a mixed warehouse, office, and retail space complex near the Lakeland Linder Regional Airport in West Lakeland. The site of the project is a 305-acre plot bordered by the Polk Parkway, County Line Road, and Airport Road.

Michigan-based developer Burton Katzman also has plans to construct a new industrial park in West Lakeland. The park is planned for a 300-acre site located off of County Line Road.

Rooms to Go has purchased an additional 44 acres of land for the purpose of expanding its West Lakeland warehouse by approximately 700,000 square feet. Rooms to Go paid \$3 million for the land located adjacent to Airport and Gay roads.

Jet's Pizza, a delivery and takeout franchise started in Michigan, has plans to open three restaurants in Lakeland. The first will be located along South Florida Avenue, and the others will follow in South Lakeland between Pipken and Shepherd Roads, and in North Lakeland near Duff Road.

Community First Credit Union is building a branch office adjacent to Bruster's on County Road 540A in South Lakeland. The new office is the first for the bank in Polk County, and is expected to open in June.

Owners of the Five Guys Burgers and Fries restaurant intend to open a second location in South Lakeland at the former site of Fazoli's on South Florida Avenue. The original Five Guys Lakeland location is on North Socrum Loop Road. The new eatery will be serving patrons by January.

CVS Pharmacies will build a new outlet at the intersection of US 92 and Combee Road in East Lakeland. Meanwhile, Walgreen's pharmacy has plans for a new location at the corner of US 98 South and Clubhouse Road in Highland City just south of the Lakeland city limits.

The Polk County Planning Commission has approved plans to increase the number of apartments and add a daycare center to a commercial-residential complex near that same intersection of US 98 South and Clubhouse Road. The revised project plan calls for 288 apartments, a 12,000 square-foot daycare center, and 36,000 square feet of commercial space. The proposed complex is adjacent to the recently completed Highland City Town Center.

Lakeland homebuilder Mark Hulbert is planning to construct an office complex just to the south of the Highland City Town Center consisting of seven buildings along US 98 South. Each of the buildings will contain 7,200 square feet of space, divided into rental units ranging from 2,000 to 7,200 square feet. Construction is to begin in January.

The Access 4 Logistics Center will soon be under construction adjacent to State Road 33 in Polk City. The project by Indianapolis-based Browning Investments will encompass more than 1.2 million square feet of warehouse and distribution space on a 104-acre site. Completion is expected in the third quarter of 2009.

**NEW OPENINGS AND CLOSINGS \*** - Pepperidge Farms officially opened a new \$23 million production line in Lakeland in late September. The new line is housed in a 20,000 square-foot addition to its Lakeland plant that will eventually create 73 additional jobs. The new line produces Pepperidge Farm's Farmhouse, Natural, and Light breads. Pepperidge Farms currently employs 315 workers in Lakeland.

Central Florida Eurocars in Lakeland has announced that it is dropping its Volvo and Subaru dealerships. Central Florida Eurocars will retain its Mercedes and Volkswagen dealerships. The closures will result in the layoff of an undetermined number of the firm's approximately 100 employees.

G&K Services plans to close its Lakeland office on Saluda Road in November, resulting in a loss of 59 jobs. G&K is a work uniform and safety products business based in Minneapolis. Work will be shifted to offices in Orlando and Tampa.

The Florida Department of Revenue is moving its Lakeland offices to a new location downtown. The department will lease 37,000 square feet of space in a former bank building on South Missouri Avenue. The offices will function as a service center for child support enforcement and general tax administration. Renovation expenses will be approximately \$3 million.

Two more shops have closed in the Dixieland arts district near downtown Lakeland. Burst, an arts supply store and gallery; and Mama Bleu's, a gift boutique, both shut down in November.

The Veterans Administration has opened an expanded medical clinic to serve local veterans in southwest Lakeland. The new 20,000 square-foot facility is located along South Pipkin Road, with a staff that includes six physicians and two psychologists.

Aldi Supermarkets opened its first Lakeland location on September 25th. The German discount grocery chain simultaneously opened ten locations across the state in its Florida debut, supplying the stores out of its new distribution center in Haines City. Another 15 locations in central Florida are slated to open by December. The Lakeland Aldi is located north of the Lakeland Square Mall along US 98 North.

Dunkin' Donuts will open a new store in Lakeland along US 98 North in November. The northside location will be the firm's third shop in Lakeland.

The Save-A-Lot grocery chain will open a new store on George Jenkins Boulevard in Lakeland before Christmas. The discount chain is spending \$300,000 to renovate an 18,405 square-foot former Publix location.

Julianne's restaurant on US 98 South in Lakeland is slated to open in November. Julianne's will be under the management of Joanne List, who is also the owner of JJ's Café on South Kentucky Avenue in downtown Lakeland. The new eatery will serve lunch and dinner, featuring fillets, seafood, and Italian dishes.

Cypress Gardens in Winter Haven announced that the theme park will close on November 17. Park owners have plans to reopen the attraction in March as an expanded water park minus any rides or animal exhibits. Cypress Gardens currently employs about 200 part-time workers and 15 full-time salaried employees.

Shells Seafood Restaurant in Winter Haven closed in early September as a result of the parent corporation's decision to file for Chapter 11 bankruptcy. It is the latest casualty among Polk eateries as restaurant chains nationwide reel with the current economic recession. Restaurants that have closed recently in the county include Bennigan's, Sam Seltzer's Steakhouse, Steak & Ale, Bedrock Café, and Atlanta Bread Company.

The Blue Sapphire Sushi Bar and Lounge will soon open in Winter Haven. The latest location for sushi in the city is located in front of the Cypress Gardens Adventure Park, and has seating for up to 70 diners.

Richard's Fine Coffees Café and Deli opens at the Winter Haven in late October. Owner David Tuttle previously operated Richard's Fine Coffees at the Winter Haven Library.

A new restaurant is slated to open in Lake Alfred by the end of October. Fromage Steak & Subs will be located along US 17/92 West, and will feature Philly cheesesteaks.

**TAKEOVERS \*** - Gene Hyde Trucking of Lakeland has been sold to LinkAmerica Corporation of Tulsa, Oklahoma. The takeover is not expected to directly impact the 190 employees of the Lakeland firm. Former president James Hyde has agreed to remain in a similar capacity for five years to assure continuity.

Consolidation in the local real estate market continues as Keller Williams Realty of Lakeland has announced that it is merging with Lakeland's Plantation Realty. It is the fifth merger this year for Keller Williams, which is already the largest realtor in Polk County with 245 agents located in Lakeland and Winter Haven.

The owner of ReMax Paramount Properties is consolidating its offices in North Lakeland and Winter Haven into its South Florida Avenue location in Lakeland. The North Lakeland office has nine associates who will relocate to the South Florida location. The majority of the fifteen associates in Winter Haven will continue to work out of their own homes.

### THE NATIONAL ECONOMY

The price-adjusted Gross Domestic Product (Real GDP) proceeded to shrink in the third quarter at a 0.3% annual rate as the collapse that began in the financial sector took its toll on the "real economy" (production of goods and services). The largest factors underlying the decline in Quarter 3 GDP were sharp downturns in spending for both durable and nondurable goods, and a deceleration in exports. Positive factors were an upturn in inventory investment and an acceleration in federal government spending.

The economy in the first half of 2008 had proven to be surprisingly resilient in the face of higher energy prices, a collapsing housing sector, turmoil in the financial markets, and consumer uncertainty. What kept the economy afloat was export growth and consumer spending. U.S. exports rose 9% during the second quarter, while imports fell by 6.6%.

However, as we entered the third quarter, an upward surge in the exchange value of the dollar and the weakening economies of our trading partners meant that exports would not remain a source of strength for the US economy in the coming months. Domestically, consumer confidence sank as the stock market plunged and unemployment rose. The net result was a collapse in overall spending, leading to further cutbacks in production and employment.

**CONSUMER SPENDING** - Consumer spending fell at a 3.2% annual rate during the third quarter, the first decline in 17 years and the steepest drop since 1980. Much of the increase in consumer spending during the preceding second quarter was due to the tax rebates that were authorized by the Economic Stimulus Act of 2008. Consumer spending weakened in the third quarter as the impact of the rebates expired and consumer confidence waned.

Personal Consumption Expenditures (PCE's include goods and services) rose 0.5% in July, and 0.1% in August. PCE's were unchanged in September before falling 0.3% in October. Retail sales (goods only) fell throughout the third quarter and beyond, dropping 0.7% in July, 0.4% in August, 1.3% in September, and a remarkable 2.8% in October. Consumer spending comprises 70% of aggregate demand in the US economy, and that spending is likely to fall further in the months ahead in light of tighter borrowing terms and further drops in employment.

The Index of Consumer Sentiment maintained by Reuters/University of Michigan stood at just 57.6 in October, versus 96.9 in January of 2007. That is a drop of 41%, and is the lowest reading in nearly a generation. Nine-out-of-ten of those surveyed believe that the US is in a recession.

The Conference Board reported that its index of consumer confidence fell in October to 38, down from 61.4 in September, on a scale where a reading of 100 represents the consumer outlook on the economy in 1985. These reports on consumer confidence do not bode well for retailers as we head toward the all-important holiday shopping season.

Much of the consumer uncertainty is related to job insecurity and declines in household wealth. The S&P/Case-Shiller index found this summer that home prices it tracks in 20 metropolitan areas had fallen 23% since their peak in July of 2006.

Disposable personal incomes fell 0.8% in July and 0.9% in August, before managing a slight 0.2% increase in September. The declines in July and August reflected, in part, the winding down of the tax cuts.

**EMPLOYMENT** - Total nonfarm employment fell by 67,000 workers in July, 127,000 in August, 284,000 in September, and 240,000 during October. Over the past 12 months, payroll employment has fallen by 2.2 million jobs. The bulk of the job losses have been in manufacturing. The number of persons who are officially unemployed in the US has now risen to 9.5 million.

The U.S. unemployment rate climbed from 5% in April to 6.1% in both August and September. The unemployment rate rose again to 6.5% in October, and is widely expected to reach 7% by yearend.

Nonfarm productivity slowed to a 1.1% seasonally adjusted annual rate of growth in the third quarter. That is down from a 3.6% annual growth rate in the preceding Quarter 2.

**INDUSTRIAL PRODUCTION** - Output at the nation's mines, factories, and utilities was unchanged in July before falling 1% in August and 2.8% in September. Industry operated at just 76% of designed capacity in September. That is more than 5 percentage points below the average capacity utilization rate over the preceding 35-year-period.

Manufacturing output has actually held up fairly well in the current economic slowdown due to rising exports. The reason manufacturing employment has fallen so much faster is related to the fact that rising productivity has allowed producers to generate their output with fewer workers.

**CONSTRUCTION** - Expenditures for new construction dropped 1.4% in July, then were unchanged in August before slipping another 0.3% in September. Construction spending is down 6.2% during the first 9 months of 2008 from the preceding year, largely due to the nationwide weakness in housing. Housing starts remain severely depressed, falling in August fell to a 17-year low. Starts fell another 6.3% in September, and now stand 31% below September of 2007.

Building permits issued for private housing, a gauge of future construction activity, fell 17.7% in July, 8.5% in August, and another 8.3% in September. Permits in September are down 38% from a year ago. There will be no real recovery in homebuilding until home sales pick up.

New home sales did manage to rise 4% in July and 2.7% in September. However, those gains were sandwiched around a 12% plunge in August. September sales of new home were down 33% from a year earlier.

Sales of existing homes also managed to inch upward 3.5% in July before falling back 2.2% in August. Existing home sales rose again 5.5% in September, and were up actually up 1.4% from September 2007. That is the first gain in a year-to-year monthly total since November 2005. The median price of homes sold in September was down 9% from September 2007.

**FOREIGN TRADE** - The U.S. international trade deficit continues to drift lower as the recession lowers our demand for imports. The trade deficit in goods and services was \$61.3 billion in July, \$59.1 billion in August, and \$56.5 billion in September.

President Bush called for the G-20 nations to meet in Washington DC in November to discuss ways to coordinate economic policies as the recession spread worldwide. There is a tendency for protectionist pressures to grow in nations as unemployment levels rise.

**COST OF LIVING** - Inflation remained tame in the third quarter as the Consumer Price Index (CPI) rose a seasonally adjusted 0.8% in July, then fell 0.1% in August. The index was unchanged in September.

#### Consumer Price Index (A)

Year	Q1	Q2	Q3	Q4
2004	186.3	188.6	189.5	190.8
2005	192.2	194.1	196.6	197.5
2006	199.3	201.7	203.2	202.1
2007	204.1	207.1	208.0	210.2
2008	212.8	215.4	219.0	

(A) Figures are revised by the Department of Commerce as of August, 2008. The data reflect the average CPI reading during each quarter. The base period of the CPI is 1982.

**MONETARY POLICY** - Concerns that the Federal Reserve would have to move interest rates higher to head off inflation have evaporated as oil prices have come down, and as the continuing weakness in consumer spending became more widely recognized. The immediate policy concern now appears to center on efforts to stimulate spending and reduce the risk of a protracted recession.

The Federal Reserve cut its target for the benchmark federal funds rate that commercial banks charge one another on overnight loans to 1.5% on October 9, the lowest level in more than four years. The Fed then cut its target rate by another half a percentage point to a level of 1% on October 29th.

**LEADING INDICATORS** - The US Index of Leading Economic Indicators rose 0.3% in September, following a 0.9% drop in August. The September gain was the first increase in the index in five months, indicating that while the real economy is contracting, it is not yet in a free fall. With consistently widespread weakness among its components, the leading index has been falling since July 2007. The leading index has dropped 1.3% in the last six months.

Orders for nondefense capital goods excluding aircraft, a widely

followed indicator of future business investment plans, managed a 0.3% increase in July. Orders then proceeded to fall 2.2% in August and another 1.4% in September.

**SUMMARY** - Economists have become decidedly more pessimistic regarding their outlook for the U.S. economy. That pessimism is related to a weakening global economy that will reduce the demand for American exports, and a further slowdown in consumer spending here at home. A number of leading economists are projecting that GDP will drop at a 3% annual rate in the current (fourth) quarter, and fall further in the first and second quarters of 2009.

### THE POLK OUTLOOK

A report issued in July by the coordinator of the Florida Legislature's Office of Economic and Demographic Research projects that an economic recovery in the state isn't likely to begin until the end of 2009. The outlook for Polk County is no better.

Retail sales in the county are running about 6% below a year ago in nominal terms, and are even lower if adjusted for inflation. Population growth has slowed, employment is down nearly 2% from

a year ago, and the seasonally adjusted unemployment rate is approaching 7%. There is no near-term end to the collapse in housing as building permits continue to drift lower.

Despite the negative factors cited, tourism remains unexpectedly buoyant, and there are some early signs that home sales may have begun to show initial signs of stabilizing. A sustained recovery in the overall index of economic activity (PPI) is unlikely to begin until at least mid-2009.

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### METHODOLOGY

The Polk Progress Index is developed on the basis of quarterly observations of six variables. The base period for the index is the first quarter of 1992. Data are adjusted for seasonal fluctuations where appropriate. The statistical technique of factor analysis was employed to assign weights to the observed variables and derive estimates of the underlying factor. The weights used are Taxable Sales (.17); Total Employment (.19); Home Sales (.17); Residential Electric Accounts (.17); Industrial Kilowatt Hours (.12); and Hotel/Motel Sales (.17). The index explains 83% of the variation in the combined variables. The weights and variables are subject to future verification and modification in light of changing relationships.

\* Items appearing in the local development section are primarily based on articles reported in the Lakeland Ledger and other local news reporting services.

	POLK PROGRESS INDEX												
	2005	2006				2007				2008			
	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4*
Taxable Sales ( <i>1,000 of \$</i> )	2,043,415	2,054,087	2,095,853	1,886,081	2,002,136	2,027,485	1,903,232	1,779,393	1,865,177	1,884,270	1,771,663	1,616,710*	1,772,168
Total Employment	250,336	251,226	253,587	253,747	254,870	256,533	258,338	256,501	256,908	255,665	253,996	252,166	253,106
Residential													
Telephone Access	197,208	195,700	185,292	180,587	179,333	176,436	169,517	161,221	154,704	149,461	141,988	134,760	134,277
Business													
Telephone Access	69,147	69,565	69,488	69,246	69,232	69,462	69,104	68,878	68,371	67,772	67,090	65,930	65,820
Industrial Electric													
KWH ( <i>1,000's</i> )	149,870	133,499	152,001	166,754	159,507	148,252	157,108	172,932	164,148	149,630	157,040	173,592	168,429
Number of Single													
Family Building Permits	2,500	2,956	1,776	1,077	931	989	1,109	877	669	601	737	547	468
Hotel/Motel Sales													
( <i>1,000's of \$</i> )	44,926	47,564	45,623	40,720	45,054	54,980	44,495	41,285	38,096	52,770	48,696	41,106	40,072
Number of Homes Sold	1,522	1,442	1,653	1,386	1,124	961	1,048	855	759	752	858	848	604
Citrus Concentrate													
Movement ( <i>1,000's of gallons</i> )	43,751	47,065	39,923	39,307	38,822	42,462	34,872	45,678	35,608	38,432	37,813	36,666	35,810
Building Permits													
( <i>1,000's of \$</i> )	401,096	585,205	334,336	325,443	229,284	323,101	312,761	213,343	251,441	262,959	313,424	225,632	
Number of Residential													
Electric Accounts	96,796	99,071	98,225	97,784	99,641	101,841	100,556	99,455	100,242	102,023	100,570	88,822	101,029
<b>POLK PROGRESS</b>	<b>214.9</b>	<b>212.6</b>	<b>214.9</b>	<b>209.5</b>	<b>207.3</b>	<b>206.7</b>	<b>199.5</b>	<b>197.2</b>	<b>194.6</b>	<b>197.5</b>	<b>192.9</b>	<b>193.3</b>	<b>190.9</b>

\*Estimated values for taxable sales and motel/hotel sales in Q3 2008, and forecast values for Q4 2008

Individual variables in the table represent raw data, unadjusted for seasonal factors. Industrial electric consumption reflects sales by the City of Lakeland.

Citrus concentrate movement is for the state of Florida. All other data are county specific.

The composition of the Polk Progress is explained in the methodology section at the end of this report. Data are seasonally adjusted when appropriate to the computation of the overall index.

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**THE POLK PROGRESS**

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