



SECTION 1 - INTRODUCTION

Historical Setting

Fellsmere Farms, owned in part by Fellsmere Joint Venture (FJV), carved hundreds of miles of canals to provide a drainage system for the fruit to grow and settlements to develop in the early 1900's. They continue to have a major influence on the City today. Never part of the incorporated City limits, FJV annexed over 18,545 acres in 2007: 157.5 acres, shown on Figures 1 and 2, surrounds the Hall-Carter-James (HCJ) neighborhood in the northeast quadrant of the City; and, 18,377 acres (more or less) which lie between the former western City boundaries westward to the Blue Cypress, north to the Stick Marsh and C-54 canal, and South towards SR 60. The annexation, an element of the City's economic development strategy, will continue to provide sustenance for and employ the majority of the City's residents for years to come.

These greenfields surround the original 1 square mile City center, or "inner City". Laid out in a sought after grid pattern using rectilinear blocks, with small building lots and a central park, a cross hatch of interwoven streets feed from and to the main street, Broadway Street. The original City settlement expanded over time to HCJ area, as the need for laborers increased with the development of packing houses and planting of new citrus groves and vegetable fields. Between 1912 and 1914, J.G. Carter, R.L. James, and Murray Hall, Fellsmere merchants and community leaders, subdivided the property. However, the "inner city", has languished for years as the City struggled with demographic and economic issues that were caught in time, unless new lands were brought in to stimulate new development.

By the mid 1920s, a relatively comprehensive community had emerged that supported some 25 families. Nearly thirty buildings dotted the settlement, including dwellings, churches, and a general store. Several new buildings appeared during the 1920s land boom and the period of the Great Depression of the 1930s. The old Trans-Florida Railway line right-of-way, site of a former active goods transport system, is being dedicated to the City for use as part of a massive greenways and trails network that will be included in the Indian River County "Rails to Trails" network.

FJV's 157.5 acre site contains the 'SUN-AG' trailer park, which has been the site of migrant/farmworker residential housing for years. Practically demolished in the 2004 hurricanes, the inability to replace all of the hurricane ravaged trailers has also put a strain on the housing stock in the remaining areas of the city to accommodate the affordable housing needs of the population.

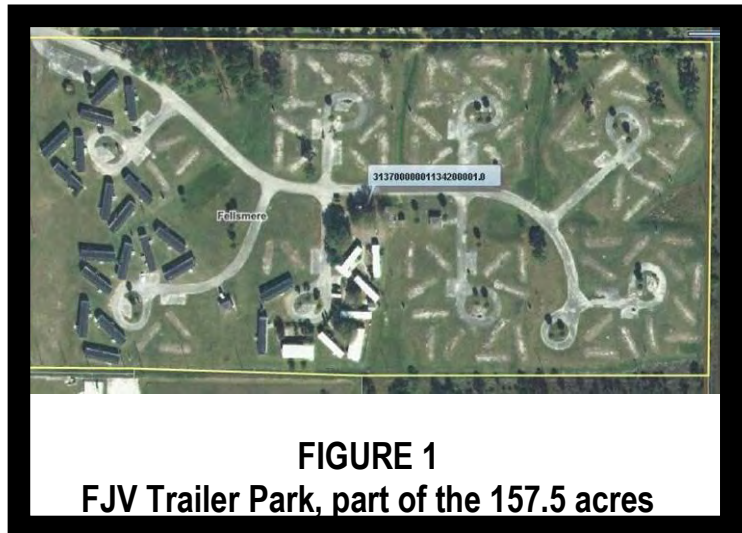


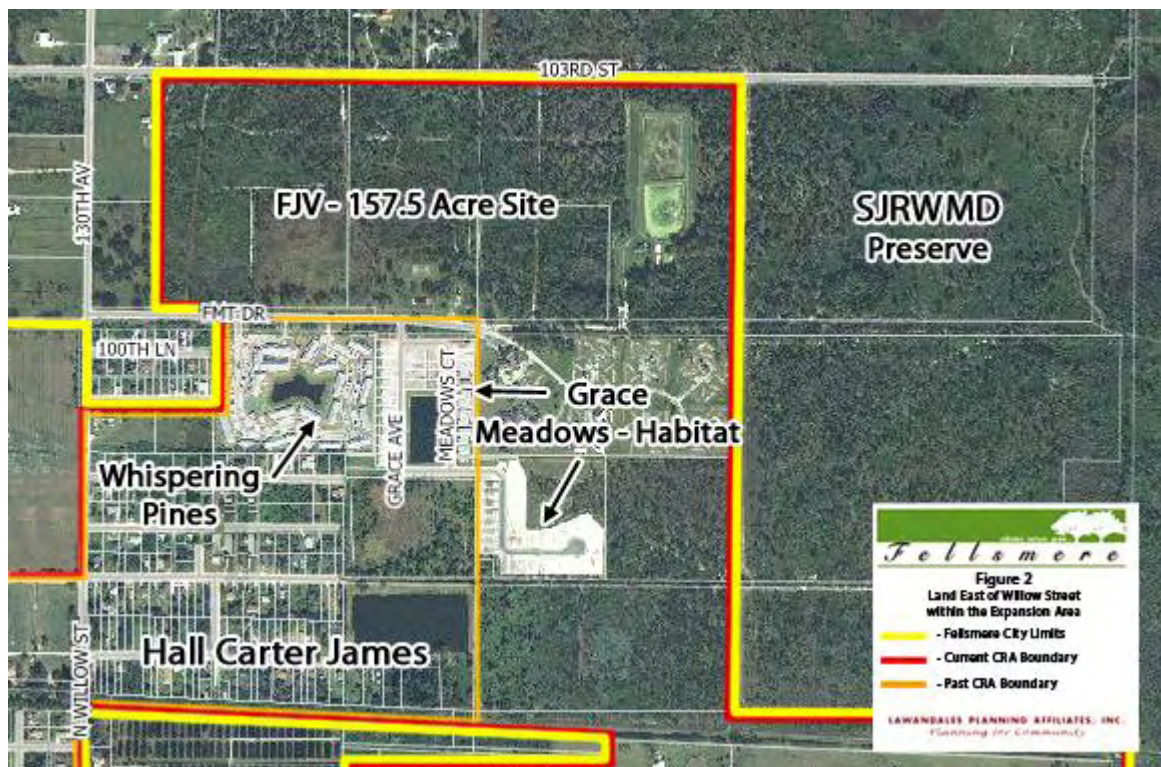
FIGURE 1
FJV Trailer Park, part of the 157.5 acres



Portions of Broadway, CR 512, and the HCJ neighborhood, were included in the 2005 Blight study and were adopted in the boundaries of the existing Community Redevelopment Area (CRA) as shown on Map 1. The remaining sections of the inner city and FJV lands continue to be affected by poverty, lack of jobs, substandard/dilapidated buildings, unpaved roads, outdated or inefficient land use patterns and other factors that have hindered the City's ability to bring sustainable growth and development to the historical city limits.

Therefore, the City engaged Lawandales Planning Affiliates (LPA) to conduct an evaluation to determine whether the 157.5 acre FJV lands and inner City areas as shown on Map 2 qualify for designation as Blighted under Chapter 163, Part III for inclusion into an expanded CRA. In summary, the evaluation has shown that the "inner" city and the FJV neighborhood suffer from blighting conditions and adopted findings of necessity to expand the redevelopment district.

FIGURE 2
Lands East of Willow Street within the Expansion Area

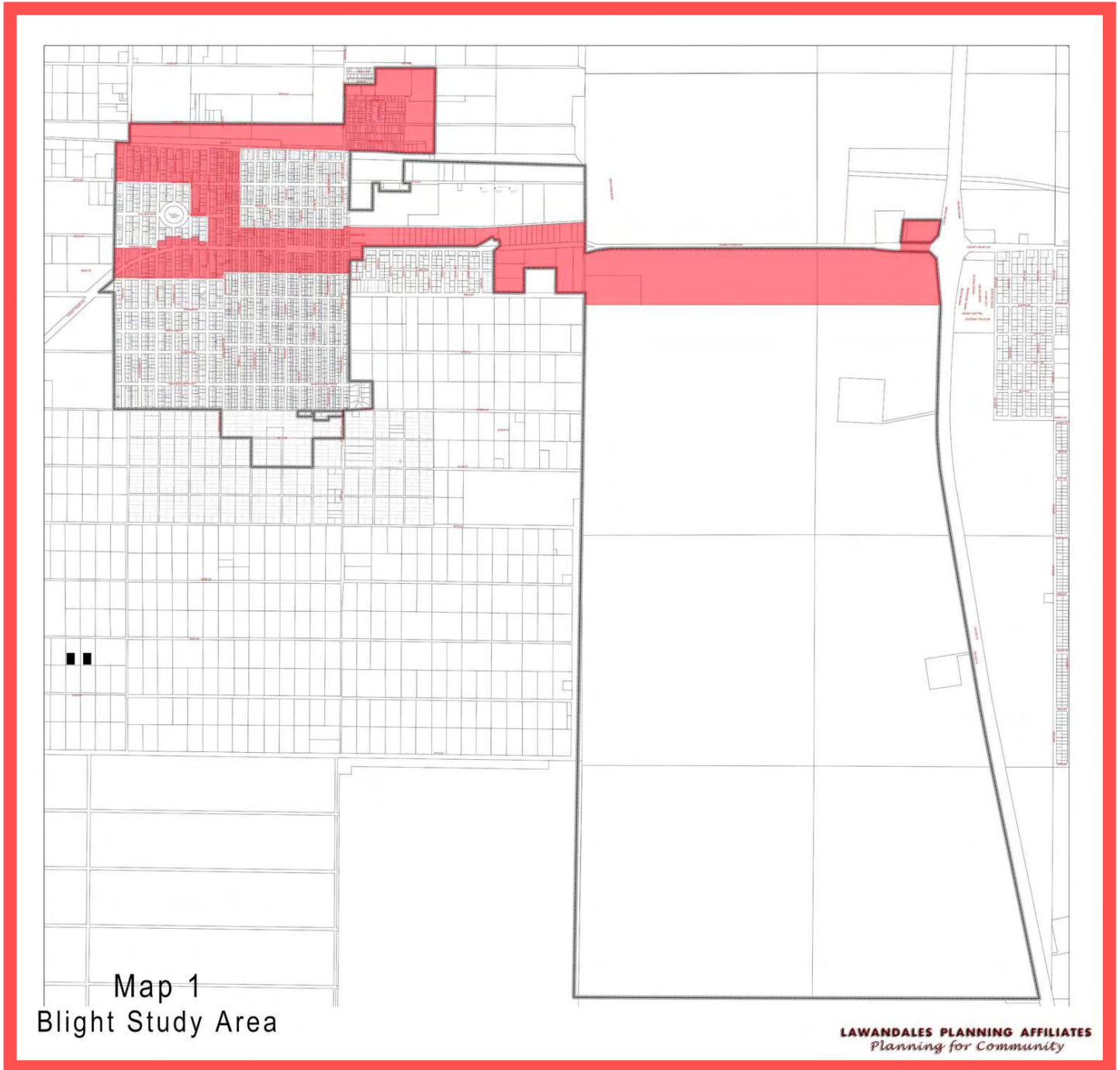




THE SERIES OF MAPS ON THE FOLLOWING PAGES REFLECT THE ORIGINAL AND MODIFIED COMMUNITY REDEVELOPMENT AREA, LOCATION, AND ZONING AND LAND USE OF THE MODIFIED COMMUNITY REDEVELOPMENT AREA.

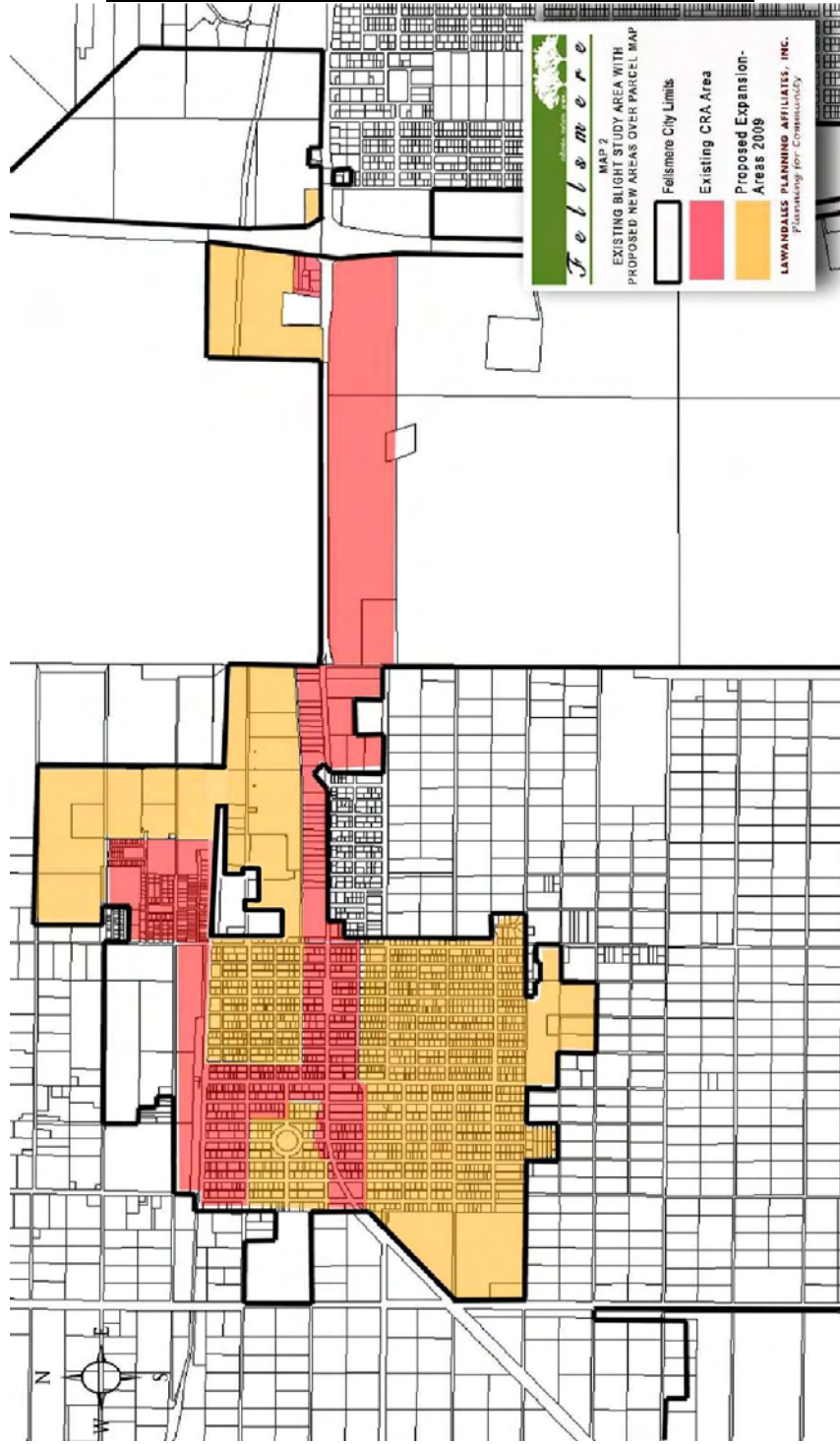


MAP 1 - ORIGINAL 2005 BLIGHT STUDY AREA (BSA) AND EXISTING COMMUNITY REDEVELOPMENT AREA



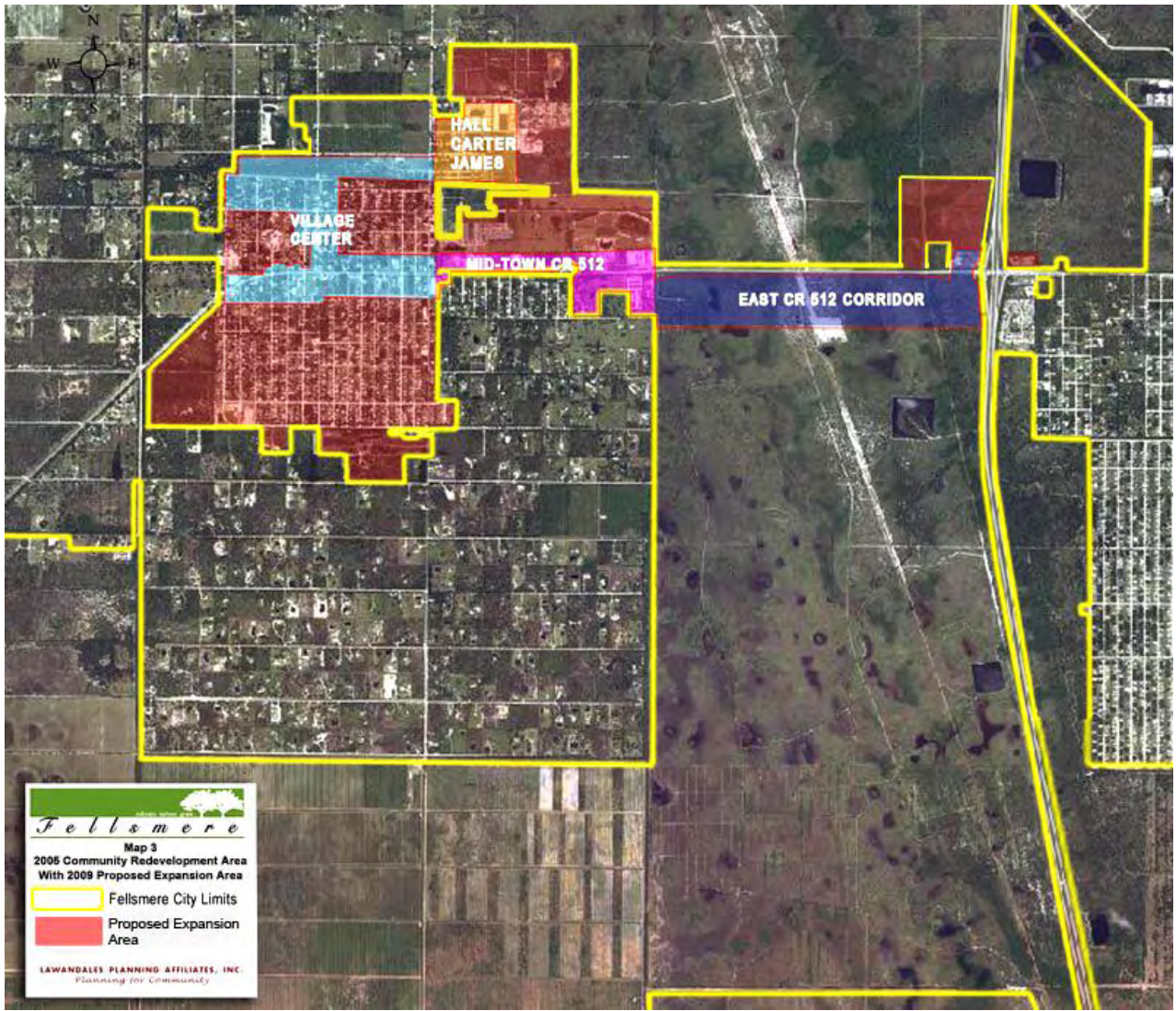


MAP 2 - ORIGINAL COMMUNITY REDEVELOPMENT AREA WITH MODIFIED AREAS OVER PARCEL MAP





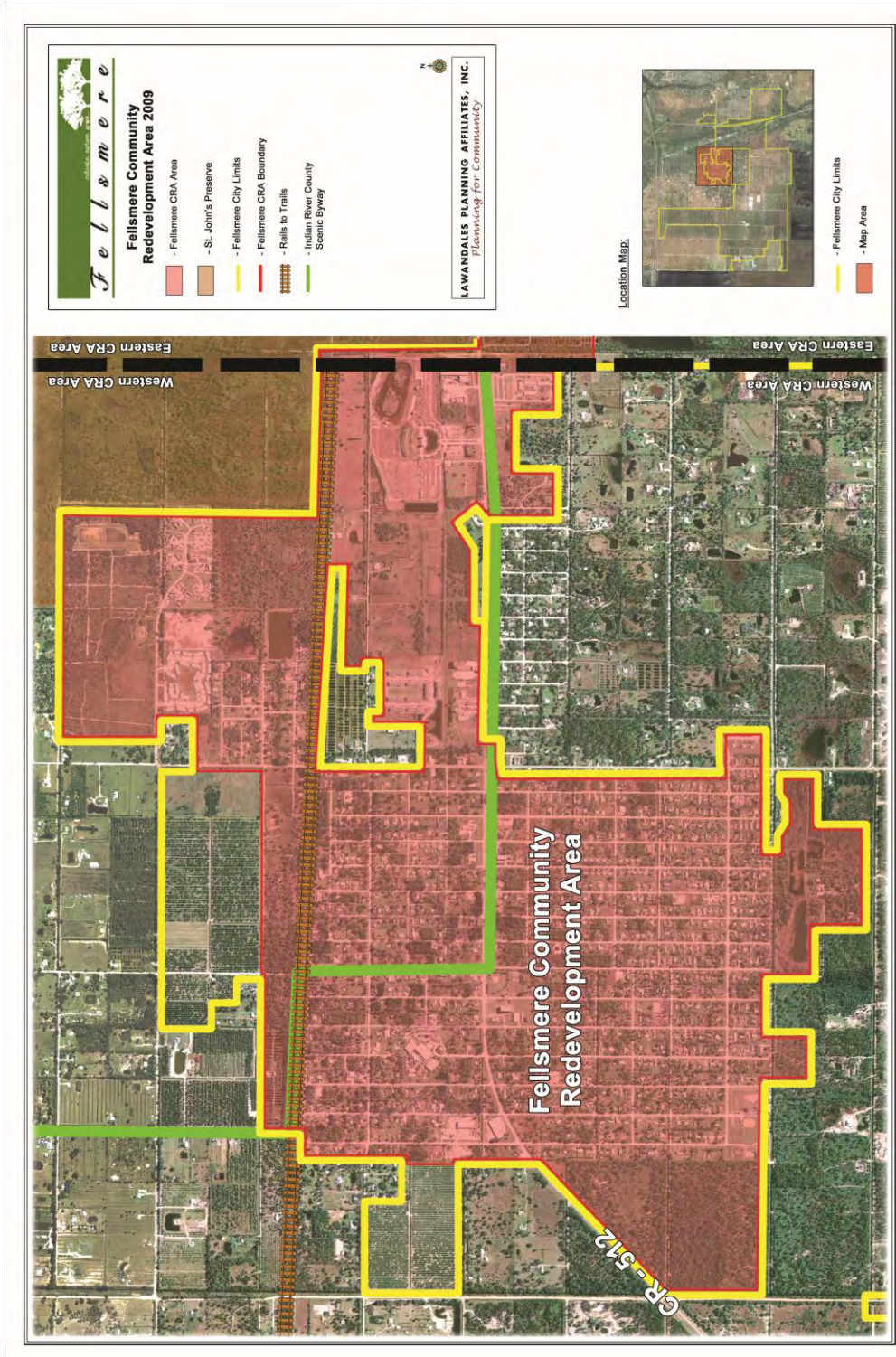
MAP 3 - ORIGINAL COMMUNITY REDEVELOPMENT AREA WITH MODIFIED AREAS OVER AERIAL



Note: See Appendix A: Sketch of Redevelopment Area Boundaries by Carter & Associates.

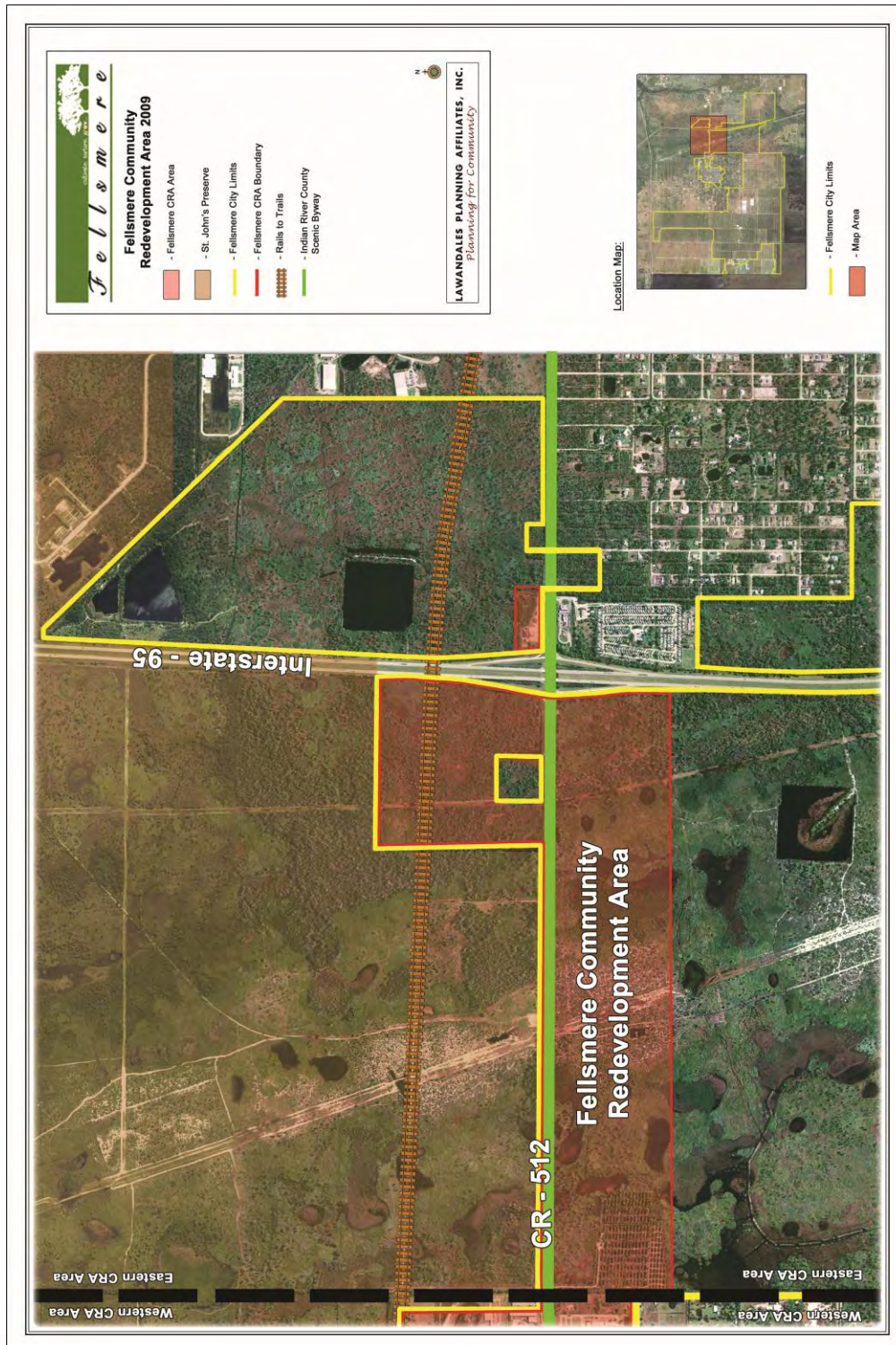


MAP 4 - CLOSE-UP VIEW OF 2009 BLIGHT STUDY AREA



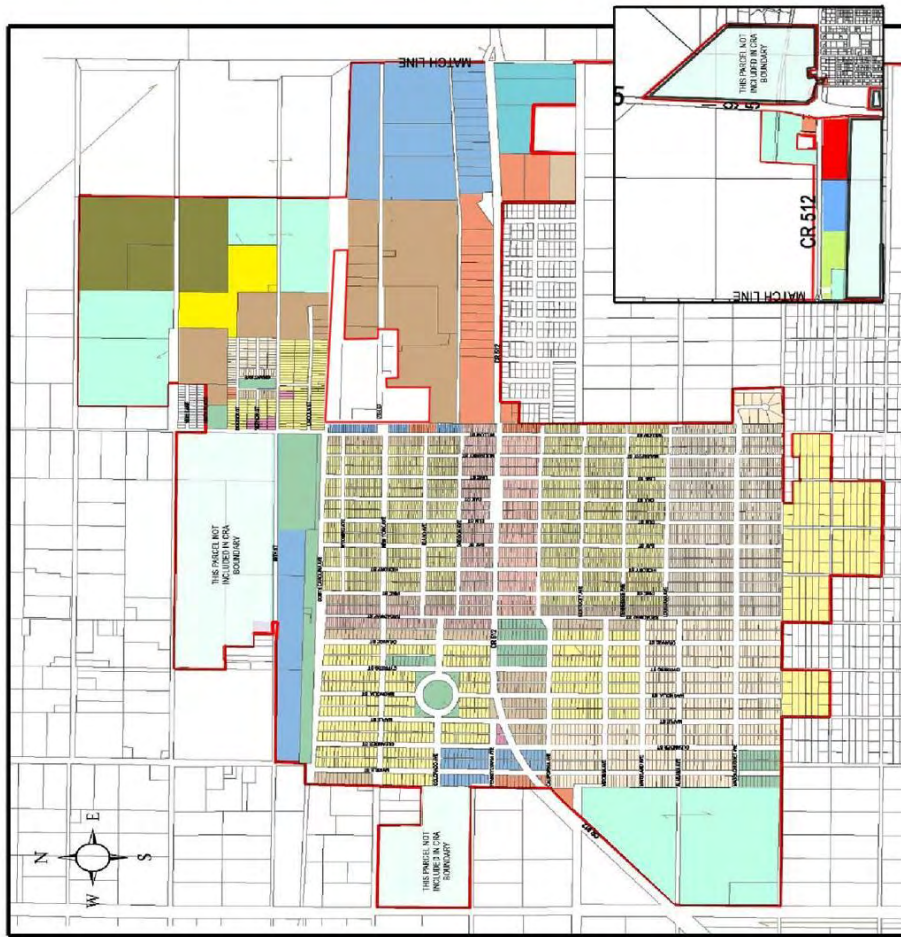
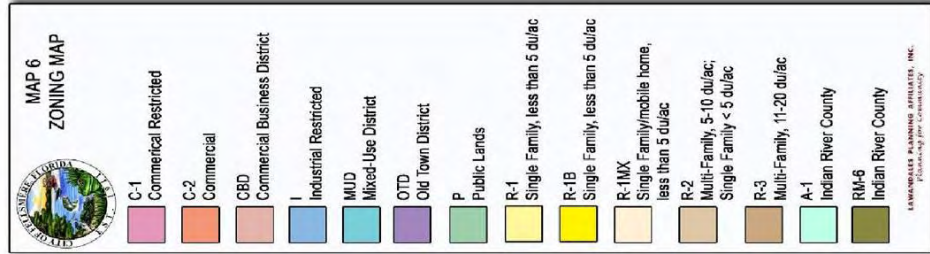


MAP 5 -CLOSE-UP VIEW OF 2009 BLIGHT STUDY AREA





MAP 6 - ZONING MAP





MAP 7 - FUTURE LAND USE MAP

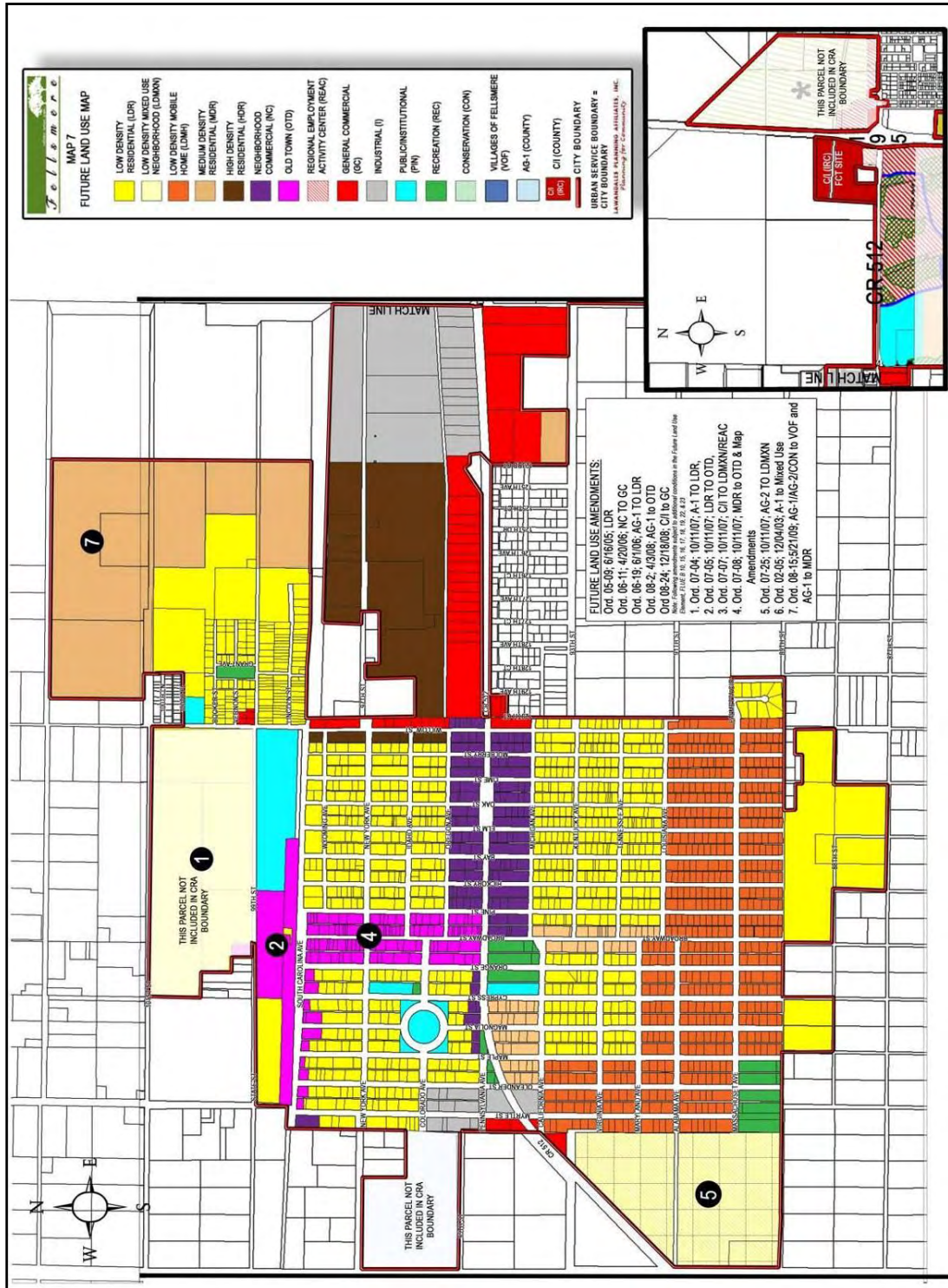




Table 1 identifies the acreage by zoning district.

TABLE 1

Acreage by Zoning		
Districts	Acres	% of Total
A1	379.31	28%
Commercial	115.72	9%
Industrial	81.03	6%
Public/Institutional /Recreation	136.59	10%
R-1/R-1B	319.99	24%
R-1MX	147.4	11%
R-2	25.02	2%
R-3	16.51	2%
R-1-MH-8	138.28	10%
Totals:	1359.85	100



FINDINGS OF NECESSITY SUMMARY

Local Governments must establish that a given area is blighted, and that the revitalization and redevelopment of that area is in the interests of the community. Using the best available data, this blight study: establishes the existence of blighted conditions; identifies the specific problems that may be addressed through adoption of a Redevelopment Plan; and more importantly, creates the findings of necessity for use by the City in designating the area and expanding the existing CRA. The Blight Study/Findings of Necessity adopted by the City Council in Resolution 09-CC on September 24, 2009 documented the existing conditions.

The Blight Study Area, now combined into one CRA, met the statutory requirements for establishing a Community Redevelopment Area primarily from building conditions, taxable values, and lot lay-outs dating back to early plats, transportation and crime issues. The study examined the blighted conditions evident in the proposed redevelopment area, and clearly the need is established for adopting these findings of necessity and creating a strategic plan to capture a vision, address opportunities for public and private reinvestment, redevelopment and overall revitalization. Blighted areas in general:

- ◆ Impose a costly burden on local communities in terms of service requirements;
- ◆ Cause the loss of much needed tax revenues;
- ◆ Infringe on the general health, safety and welfare of the residents within the area of deterioration; and,
- ◆ Have the effect of impairing and arresting economic growth and vitality because few will invest or reinvest in the area.

Despite 600 new residents, commercial development has not found its way to the City. New annexations will enable additional residential rooftops to spawn support for commercial development once the economy returns. A CRA is needed to aid the market in finding and directing the right kinds of development, installing infrastructure, providing rehabilitation assistance to businesses and homes, preserving neighborhoods and quality residential areas, retaining and supporting existing businesses, and expanding new business opportunities through the BSA.

In 2005 and 2009, there were several key indicators establishing Findings of Necessity to create and expand the community redevelopment area:

1. Steadily rising crime rates uncharacteristic of the rest of the community.
2. Transportation problems associated with impacts from projects that have left defective or inadequate lots, little access management, poor parking provisions, problems with remaining local streets and their layout or pattern, other internal roadway issues, poor, if any pedestrian access; and few public transportation facilities.
3. Deterioration or stasis in property values, particularly building values which are declining geometrically.
4. Faulty lot layout in relations to size, adequacy, accessibility, or usefulness.
5. Deterioration of site or other improvements as shown in over 60% substandard or dilapidated building stock within the expansion area.



6. Lack of beautification, storm water management and code enforcement issues, storage and proliferation of junk and other nuisance problems.
7. Disconnection of neighborhoods.
8. Building decay and disuse.

Without the intervention of the City, through establishing a Community Redevelopment Area, the declining conditions in this area will worsen, causing further strain on the City's resources and ultimately affecting the nearby fairly stable residential neighborhoods. The City and community both recognize that sound infrastructure investments, access management, appropriate development codes and incentives for private investment, actions which stem from creating a CRA and adopting a Redevelopment Plan, will contribute to arresting blighting influences in this area. By encouraging new public and private investment and other physical and social improvements, crime rates decrease and values increase.

The Blight Studies and Findings of Necessity for 2005 and 2009 are incorporated by reference.

DEMOGRAPHICS AND MARKET ANALYSIS

The most readily visible sign of economic health of a community is its downtown or Main Street. Unfortunately for Fellsmere, Broadway Street has steadily declined for the last 10 years. Indeed, if you look at pictures from the early 1900's, the street is lined with buildings. Today, there are many lands. As indicated in the Blight Study, few new businesses have opened. Several buildings have been lost to decay. The survivors have been the stalwarts like the Convenience/Ethnic historic markets, the gas station, and Marsh Landings restaurant.

In order to better understand the City's economic decline, capabilities and demands, LPA obtained an economic environment and demographic analysis from the Economic Development Commission of the Space Coast. This data will provide critical information for economic development, marketing, and business development for the City.

Most retailers and market studies now use drive times as the benchmark for their demographic analysis. The location of the City led LPA to use the more traditional ring study approach for this information. That includes 1, 3, 5 and 10 mile radii as seen on the following map. As shown, 1- 3 miles encompasses the City; 5 miles goes past I-95; 10 miles goes to the river and Brevard County line.

The foremost important characteristics for any market analysis is how many people live there and what is their income. A clear picture of the community is shown in Tables 2 and 3, Demographic Profile. Several recommendations remain from the 2005 Plan and are spawned from this analysis of the market/demographic data and spending characteristics of the population:



- ✓ Diversify the employment base from dependency on agriculture with new high employment generating industrial developments. In the economic development field, the basic formula is “industrial development=residential development=commercial development”.
- ✓ Create a desirable destination based upon its strengths: eco-tourism, its location near Sebastian/Vero Beach, its location near the Stick Marsh and St. John’s River; its vast conservation lands held by the St. Sebastian River Preserve State Park; be the “cut through” to SR 60
- ✓ Increase the population with higher incomes to sustain the city and spawn new commercial development
- ✓ Encourage and incentivize, for instance through higher densities, housing types and amenities, larger numbers of and higher value homes near the downtown
- ✓ Use the Tax Increment Fund (TIF) for land acquisition in negotiated purchases of available lands to promote a desired development

Exhibit 1-A - Demographic Radii Maps

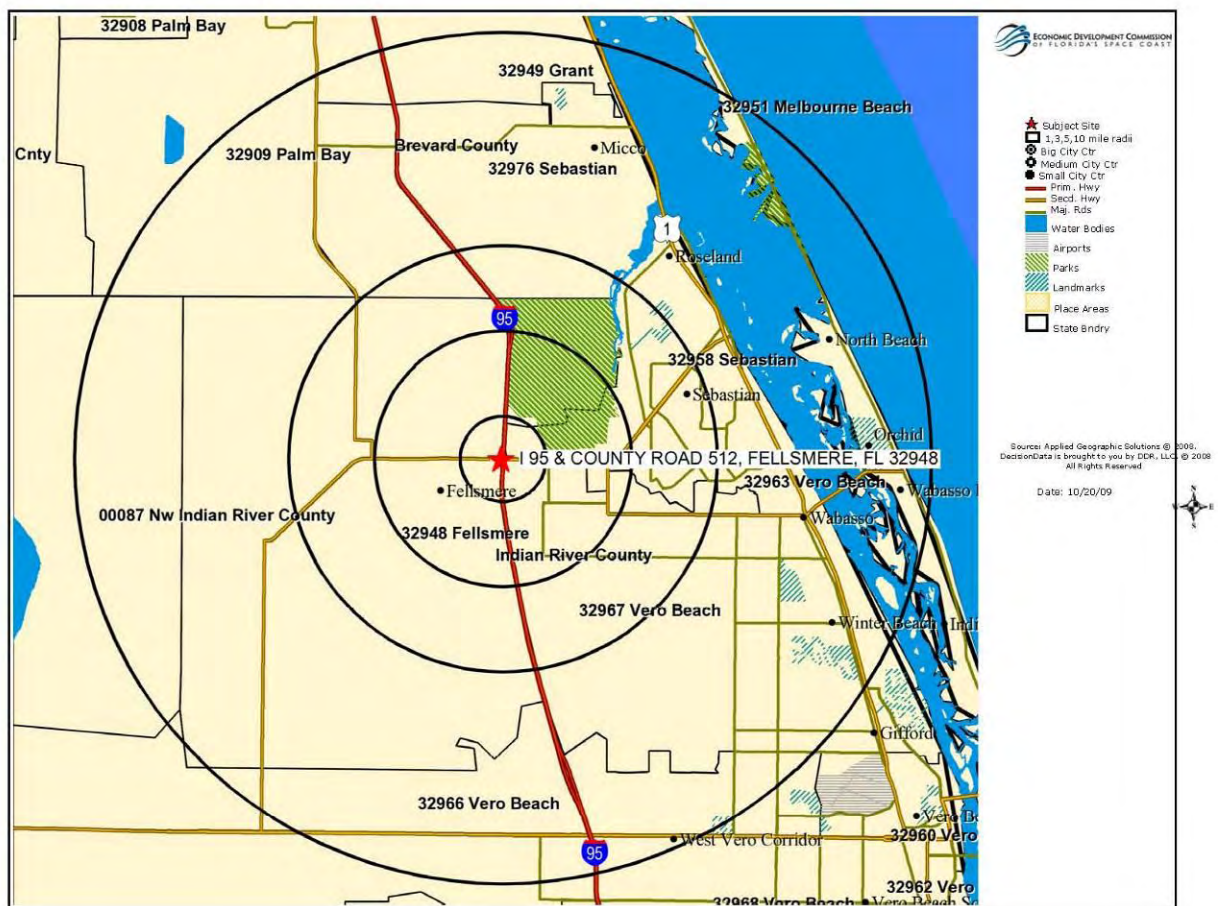




TABLE 2

DEMOGRAPHIC ANALYSIS - I-95 & County Road 512								
Characteristic	2009				2014			
	1-Mile	3-Mile	5-Mile	10 Mile	1-Mile	3-Mile	5-Mile	10 Mile
Population	553	8,696	25,788	65,978	1,129	11,954	30,159	72,554
Households	185	2,575	8,734	25,987	297	2,816	7,837	22,574
Race								
White	80.4%	88.6%	90.5%	87.4%	81.4%	87.8%	88.7%	84.8%
Black	14.6%	7.0%	5.9%	9.6%	17.0%	10.4%	9.1%	12.5%
Hispanic	41.1%	38.9%	25.1%	13.8%	42.3%	38.1%	28.1%	16.6%
Median Age	32.4	31.8	38.4	47.3	32.8	32.4	37.1	46.5
Education								
less than 9th Grade	15.7%	12.2%	8.0%	5.6%	13.7%	10.4%	7.7%	5.3%
High School/GED	40.3%	40.0%	38.5%	37.4%	40.5%	40.7%	38.9%	37.0%
Associates Degree	4.8%	5.8%	6.7%	6.3%	4.9%	5.7%	6.3%	6.2%
Bachelor's Degree	7.1%	7.6%	10.0%	12.5%	8.6%	8.9%	11.0%	14.0%
Prof/Doctorate	4.8%	3.4%	4.9%	6.5%	5.4%	4.1%	5.2%	7.0%
Housing Units								
Total Units	293	3,757	12,582	39,595	672	5,971	16,353	47,809
Owner	48.6%	58.0%	59.6%	55.6%	36.9%	41.9%	43.0%	41.4%
Rental	14.7%	10.6%	9.9%	10.1%	7.3%	5.3%	4.9%	5.9%
Income levels								
Average Income	\$54,201	\$57,662	\$55,230	\$61,321	\$55,116	\$58,362	\$56,532	\$64,201
Median Income	\$47,021	\$49,837	\$51,075	\$46,657	\$50,972	\$53,638	\$54,464	\$51,079
Per Capita Income	\$16,437	\$17,731	\$19,157	\$24,356	\$13,113	\$14,215	\$15,143	\$20,185
Businesss and Employment								
Employees	445	1,515	4,047	19,956	-	-	-	-
Establishments	43	188	562	2,209	-	-	-	-

Source: Demographic Detail Comparison Report provided by the Economic Development Commission of the Space Coast; compiled by Lawandales Planning Affiliates, October, 2009



Exhibit 1-B – Demographic Radii Map

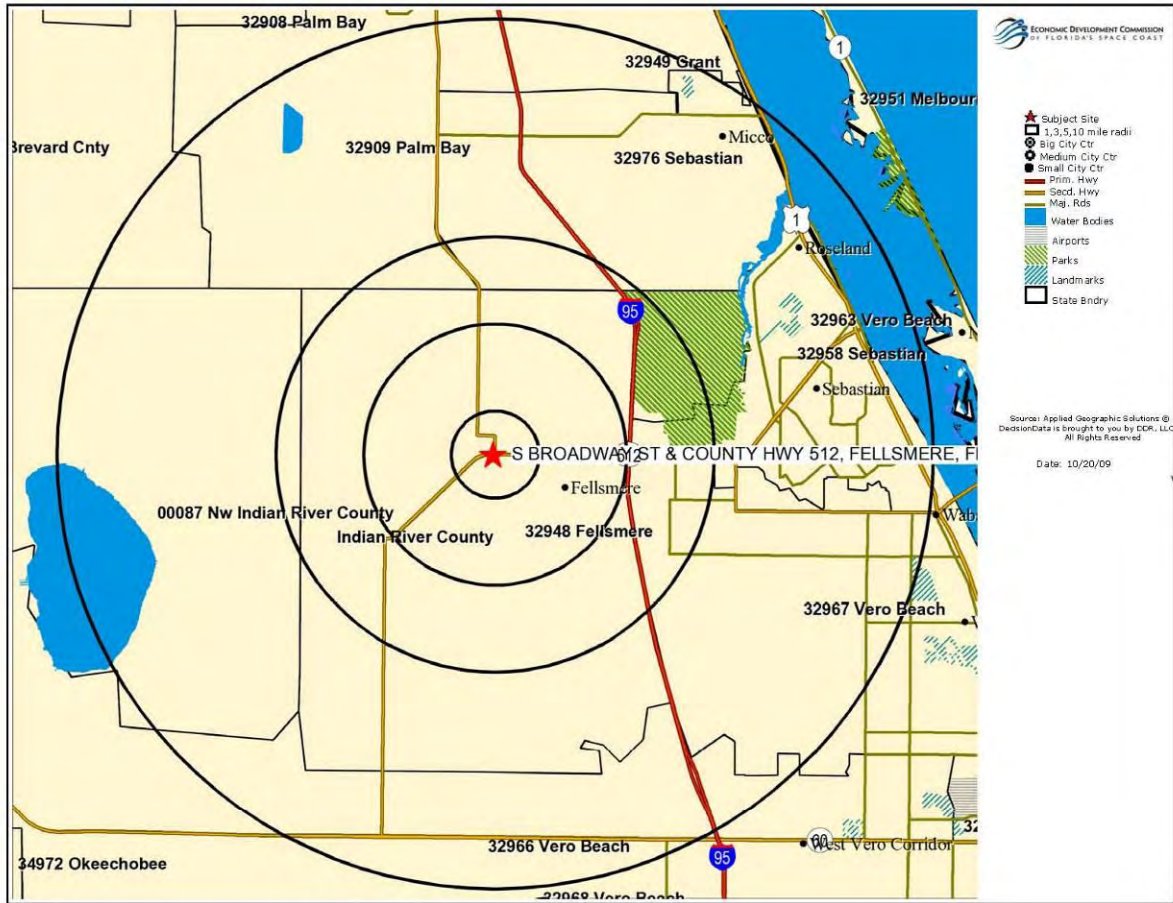




TABLE 3

DEMOGRAPHIC ANALYSIS - S. Broadway Street & County Road 512								
Characteristic	2009				2014			
	1-Mile	3-Mile	5-Mile	10 Mile	1-Mile	3-Mile	5-Mile	10 Mile
Population	4,309	6,081	10,169	46,376	5,951	8,860	14,677	50,334
Households	963	1,490	2,841	17,873	1,101	1,777	3,290	15,333
Race								
White	84.3%	83.8%	86.3%	90.1%	85.1%	84.5%	86.1%	87.3%
Black	8.7%	9.4%	8.3%	6.4%	12.9%	13.6%	12.1%	9.8%
Hispanic	77.9%	73.8%	52.8%	16.5%	67.4%	63.5%	48.4%	19.8%
Median Age	27.9	28.3	30.1	45.8	29.3	29.9	31.3	44.5
Education								
less than 9th Grade	28.9%	27.4%	18.0%	6.2%	21.2%	20.0%	14.2%	6.0%
High School/GED	31.5%	32.5%	37.5%	40.0%	35.2%	36.1%	39.1%	39.9%
Associates Degree	4.0%	4.1%	5.0%	6.1%	4.5%	4.6%	5.1%	6.0%
Bachelor's Degree	6.0%	6.1%	7.0%	10.1%	8.0%	8.1%	8.6%	11.4%
Prof/Doctorate	3.4%	3.6%	3.4%	5.2%	4.6%	4.7%	4.3%	5.6%
Housing Units								
Total Units	1,439	2,241	4,196	26,163	2,404	3,901	7,076	30,860
Owner	49.7%	49.6%	54.6%	58.5%	37.7	37.6	40.1	43.6
Rental	17.2%	17.0%	13.1%	9.8%	8.1	8.0	6.4	6.1
Income levels								
Average Income	\$48,884	\$49,401	\$55,050	\$54,033	\$51,701	\$52,153	\$56,289	\$56,770
Median Income	\$43,348	\$43,668	\$47,399	\$45,139	\$47,893	\$48,305	\$51,662	\$49,038
Per Capita Income	\$14,357	\$14,578	\$16,454	\$21,073	\$12,359	\$12,471	\$13,471	\$17,542
Businesss and Employment								
Employees	748	964	1,875	12,900	-	-	-	-
Establishments	82	104	216	1,571	-	-	-	-

Source: Demographic Detail Comparison Report provided by the Economic Development Commission of the Space Coast; compiled by Lawandales Planning Affiliates, October, 2009