



City of Grand Island

Tuesday, February 14, 2017

Council Session

Item E-4

Public Hearing on CRA Area 20 Blighted and Substandard Study for 285.26 Acres at the Former Cornhusker Army Ammunition Plant located at the Northwest Corner of 70th and Old Potash Highway (Pat O'Neill)

Council action will take place under Resolutions item I-4.

Staff Contact: Chad Nabity

Council Agenda Memo

From: Regional Planning Commission

Meeting: February 14, 2017

Subject: O'Neill Blight Study (Proposed Area 20)
C-02-2017GI

Presenter(s): Chad Nabity, Regional Planning Director

Background

Patrick O'Neill, owner of O'Neill Wood Resources, commissioned a Blight and Substandard Study for Proposed Redevelopment Area No. 20 to be prepared by Marvin Planning Associates of David City, Nebraska. The study area includes approximately 285.26 acres referred to as CRA Area No. 20. The study focused on property located north of Old Potash Highway and west of Alda Road. (See the attached map) On December 13, 2016, Council referred the attached study to the Planning Commission for its review and recommendation.

The decision on whether to declare an area substandard and blighted is entirely within the jurisdiction of the City Council.

Discussion

The Statutory authority and direction to the Planning Commission is referenced below to explain the Planning Commission purpose in reviewing the study:

Section 18-2109

Redevelopment plan; preparation; requirements.

An authority shall not prepare a redevelopment plan for a redevelopment project area unless the governing body of the city in which such area is located has, by resolution adopted after a public hearing with notice provided as specified in section 18-2115, declared such area to be a substandard and blighted area in need of redevelopment. The governing body of the city shall submit the question of whether an area is substandard and blighted to the planning commission or board of the city for its review and recommendation prior to making its declaration. The planning commission or board shall submit its written recommendations within thirty days after receipt of the request. Upon receipt of the recommendations or after thirty days if no recommendation is received, the governing body may make its declaration.

~Reissue Revised Statutes of Nebraska

A flow chart of the blight declaration process is shown in Figure 2.

At this time, the Council is only concerned with determining if the property is blighted and substandard. Figure 3 is an overview of the differences between the blight and substandard declaration and the redevelopment plan. If a declaration as blighted and substandard is made by Council then the Community Redevelopment Authority (CRA) can consider appropriate redevelopment plans. The redevelopment plans must also be reviewed by the Planning Commission and approved by Council prior to final approval.

This area is located outside the city limits at CHAAP and as such any declaration as blighted and substandard is exempt from the 35 percent limit imposed by statute on cities of the first class. Nebraska Revised State Statutes (Section 18-2123.01) specifies that a redevelopment project involving a formerly used defense site shall not count toward the percentage limitations.



Redevelopment Area 20

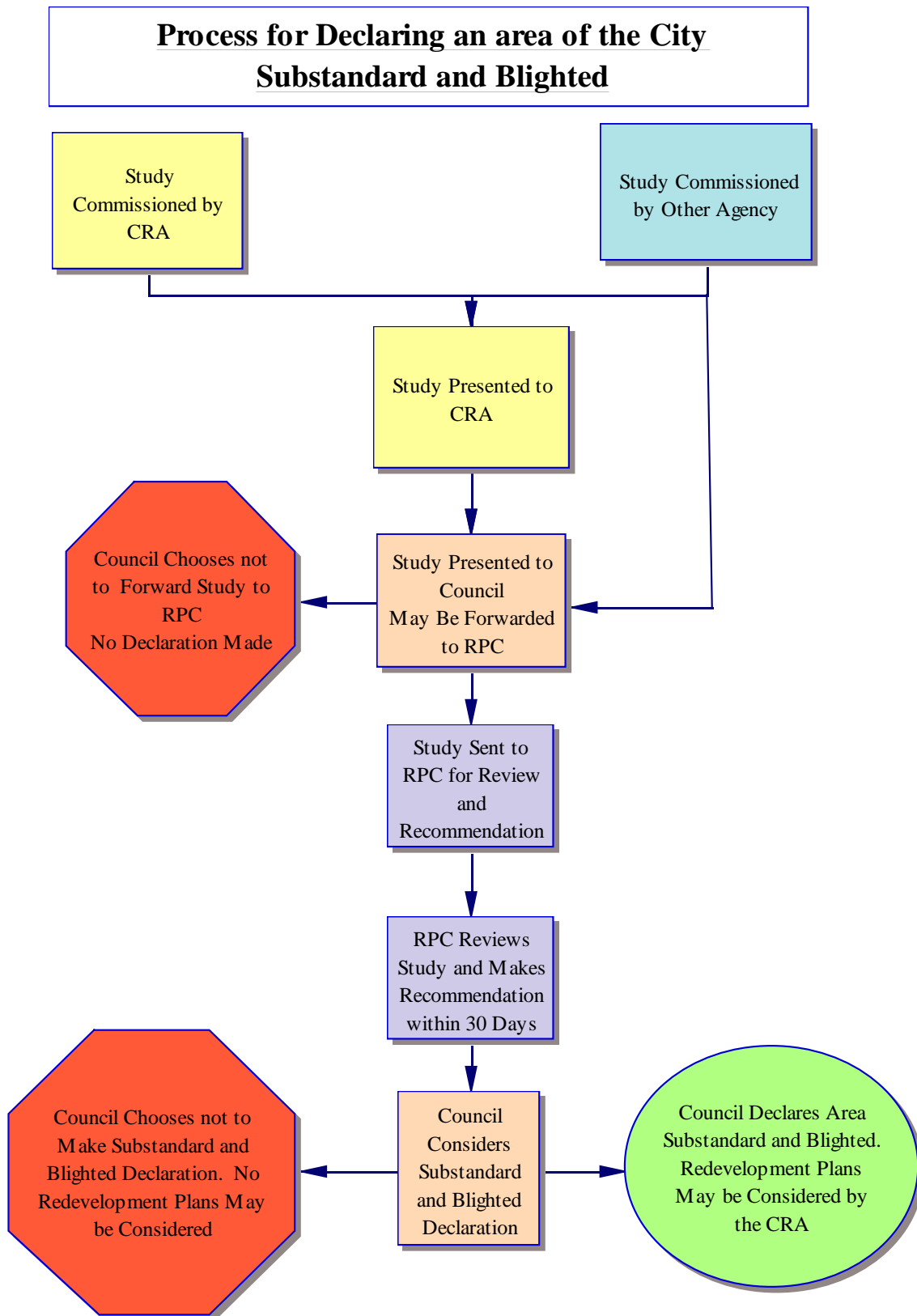


Figure 1 Blight Declaration Process (Planning Commission Recommendation is the second purple box).

Substandard and Blighted Declaration vs. Redevelopment Plan



- | | |
|---|--|
| <ul style="list-style-type: none">● Substandard and Blighted Declaration● A Study of the Existing Conditions of the Property in Question● Does the property meet one or more Statutory Conditions of Blight?● Does the Property meet one or more Statutory Conditions of Substandard Property?● Is the declaration in the best interest of the City? | <ul style="list-style-type: none">● Redevelopment Plan● What kinds of activities and improvements are necessary to alleviate the conditions that make the property blighted and substandard?● How should those activities and improvements be paid for?● Will those activities and improvements further the implementation of the general plan for the City? |
|---|--|

Figure 2 Blight and Substandard Declaration compared to a Redevelopment Plan

It is appropriate for the Council in conducting its review and considering its decision regarding the substandard and blighted designation to:

1. review the study,
2. take testimony from interested parties,
3. review the recommendation and findings of fact identified by the Planning Commission (Planning Commission did not identify any findings with their motion so none are available.)
4. make findings of fact, and
5. include those findings of fact as part of its motion to approve or deny the request to declare this area blighted and substandard. Council can make any findings they choose regarding the study and the information presented during the public hearing to support the decision of the Council members regarding this matter.

Blighted and Substandard Defined

The terms blighted and substandard have very specific meanings within the context of the Community Redevelopment Statutes. Those terms as defined by Statute are included below:

Section 18-2103

Terms, defined.

For purposes of the Community Development Law, unless the context otherwise requires:

(10) **Substandard areas** shall mean an area in which there is a predominance of buildings or improvements, whether nonresidential or residential in character, which, by reason of dilapidation, deterioration, age or obsolescence, inadequate provision for ventilation, light, air, sanitation, or open spaces, high density of population and overcrowding, or the existence of conditions which endanger life or property by fire and other causes, or any combination of such factors, is conducive to ill health, transmission of disease, infant mortality, juvenile delinquency, and crime, (which cannot be remedied through construction of prisons), and is detrimental to the public health, safety, morals, or welfare;

(11) **Blighted area** shall mean an area, which (a) by reason of the presence of a substantial number of deteriorated or deteriorating structures, existence of defective or inadequate street layout, faulty lot layout in relation to size, adequacy, accessibility, or usefulness, insanitary or unsafe conditions, deterioration of site or other improvements, diversity of ownership, tax or special assessment delinquency exceeding the fair value of the land, defective or unusual conditions of title, improper subdivision or obsolete platting, or the existence of conditions which endanger life or property by fire and other causes, or any combination of such factors, substantially impairs or arrests the sound growth of the community, retards the provision of housing accommodations, or constitutes an economic or social liability and is detrimental to the public health, safety, morals, or welfare in its present condition and use and (b) in which there is at least one of the following conditions: (i) Unemployment in the designated area is at least one hundred twenty percent of the

state or national average; (ii) the average age of the residential or commercial units in the area is at least forty years; (iii) more than half of the plotted and subdivided property in an area is unimproved land that has been within the city for forty years and has remained unimproved during that time; (iv) the per capita income of the area is lower than the average per capita income of the city or village in which the area is designated; or (v) the area has had either stable or decreasing population based on the last two decennial censuses. In no event shall a city of the metropolitan, primary, or first class designate more than thirty-five percent of the city as blighted, a city of the second class shall not designate an area larger than fifty percent of the city as blighted, and a village shall not designate an area larger than one hundred percent of the village as blighted;

~Reissue Revised Statutes of Nebraska

ANALYSIS-Blight and Substandard Study

The following findings are copied directly from the Study. The analysis of the substandard and blighted factors is conducted on pages 5 to 17 of the study.

FINDINGS FOR GRAND ISLAND BLIGHT STUDY AREA #20

Blight Study Area #20 has several items contributing to the Blight and Substandard Conditions. These conditions include:

Blighted Conditions

- Former Defense Site

Blighting Conditions – Part A

- Substantial number of deteriorated or deteriorating structures
- Deterioration of site or other improvements
- Insanitary and Unsafe Conditions
- Dangerous conditions to life or property due to fire or other causes
- Combination of factors which are impairing and/or arresting sound growth
- Diversity of Ownership

Blighting Conditions – Part B

- Stable or decreasing population based on the last two decennial censuses
 - Average age of commercial units is over 40 years of age

Substandard Conditions

- Former Defense Site
- Predominance of Buildings/Improvements based on Age, Dilapidation, and Deterioration

Based on the study these areas meet the thresholds to qualify as blighted and substandard.

Tax increment financing would potentially be available for redevelopment projects on any of the property included in the study.

Recommendation

Staff recommends considering the following questions as a starting point in the analysis of this Study and in making a determination. The City Council is ultimately responsible for answering the question of whether the property included in the study is blighted and substandard **and** whether making such a designation is in the **best interest** of the City.

Recommend Questions for City Council

- Does this property meet the statutory requirements to be considered blighted and substandard? (See the prior statutory references.)
- Are the blighted and substandard factors distributed throughout the Redevelopment Area, so basically good areas are not arbitrarily found to be substandard and blighted simply because of proximity to areas which are substandard and blighted? Is development of adjacent property necessary to eliminate blighted and substandard conditions in the area?
- Is public intervention appropriate and/or necessary for the redevelopment of the area?
- Will a blight declaration increase the likelihood of development/redevelopment in the near future and is that in the best interest of the City?
- What is the policy of the City toward increasing development and redevelopment in this area of the City?

Findings of fact must be based on the study and testimony presented including all written material and staff reports. The recommendation must be based on the declaration, not based on any proposed uses of the site. All of the testimony, a copy of the study and this memo along with any other information presented at the hearing should be entered into the record of the hearing

Planning Commission Recommendation

The Regional Planning Commission held a public hearing and took action on the blight and substandard study proposed Area 20 during its meeting on January 4, 2017. The area considered covers 285.26 acres at the former Cornhusker Army Ammunition Plant, located in Section 18, Township 11 North, Range 10 West of the 6th PM, at the northwest corner of 70th and Old Potash Highway. (C-02-2017GI).

Chairman O'Neill turned the meeting over to Secretary Ruge, as the blight study was commissioned by O'Neill's business, O'Neill Wood Resources. O'Neill left the meeting chambers at 6:07 p.m. Ruge appointed Maurer as Secretary Pro Tem, so he could assume Chairman duties.

Nabity said the Nebraska Legislature passed LB66 in 2013, which gave First Class Cities, such as Grand Island, the authority to redevelop former defense sites using tax-increment financing, provided that the area is declared blighted and substandard by local authorities. Marvin Planning Consultants conducted such a study and found the 285.26 acres owned by O'Neill and the Grand Island Economic Development Corp. as being eligible for a blight and substandard designation. The area is known as Area 20.

Ron Depue said O'Neill Wood Resources owns 35 of the 285.26 acres and has 55 additional acres under contract. Those 55 acres and the rest of the acreage in the study are currently owned by the Grand Island Area Economic Development Corp. Depue said the area has 10 existing buildings, nine of which are more than 40 years old and are in a state of deterioration. No residential development is allowed in the area due to covenants The Army put on the ground. He said those factors, along with being an "environmental Super Fund site" contribute to its blighted and substandard status.

Hoggatt questioned whether most of the ground in the study is currently being used as row crops and whether that means that most farm ground could be considered blighted and substandard.

Keith Marvin said the blight and substandard factors at the former Cornhusker Army Ammunition Plant aren't so much about what is above ground, but what is below it. He said there are substantial numbers of asbestos covered utility lines underground, as well as RDX contamination in the soil and groundwater. Marvin said the flat slope of the ground also results in water ponding, which can breed mosquitos. He said the City of Sidney also has a former defense site and completed a blighted and substandard study on the entire area to address redevelopment challenges that site has.

Hoggatt wondered if a full-site study could be done at Cornhusker, instead of looking only at the 285.26 acres, which he felt was a "piecemeal" approach.

Nabity said that could be a possibility. In the past, the Community Redevelopment Authority has commissioned blight and substandard studies and could be asked to consider the Cornhusker property. Nabity said the Regional Planning Commission could suggest a study be done on the land that could be used for agricultural or industrial/commercial development such as the land zone AG-SI and AG-SE, and perhaps not study the land that is used for the Heartland Public Shooting Park.

Dave Taylor said the EDC supports the O'Neill Wood Resources blight study as it could help O'Neill retain jobs and expand his business.

Grand Island City Administrator Marlan Ferguson, who formerly served as the EDC president, said the EDC initially purchased 1,700 acres of Cornhusker land and spent lots of dollars clearing concrete from foundations so that land could be farmed. He said Load Lines 2 and 3 have lots of underground debris and a tax-increment financing project could help clear those areas. Ferguson said he also worked on the passage of LB66 and sees a whole area study at Cornhusker as a beneficial idea. He said Cornhusker is a 20-square-mile site where there will be no residents to be bothered by commercial/industrial growth and the site has access to two railroads.

Ruge asked how much Cornhusker would add to Grand Island's 35 percent of allowed blighted and substandard area. Nabity said LB66 specifies that former defense sites are not counted into the percentage. Grand Island currently has about 20 percent of the city area that is blighted and substandard.

Rainforth asked about de-blighting property. Nabity said that can be done and other

cities have removed redeveloped property from blighted and substandard areas. Grand Island probably wouldn't consider doing that until it reached about 30 percent blighted and substandard area, Nabity said.

Robb said he understands the concerns with the asbestos and RDX, but it's frustrating to hear that gravel roads, flat ground and bad little sheds can be criteria for blighting. He said they're all over and nothing is perfect. Robb said all the blight and substandard studies he's seen find the area blighted and substandard. Marvin said he only brings forward studies on ground that qualifies as blighted and substandard. He said he turns down jobs on study requests on land that doesn't meet the state's blighted and substandard criteria.

A motion was made by Hoggatt and seconded by Apfel to approve the Blight and Substandard Study for Area 20 with the Marvin Planning Consultants study providing the findings of fact of blight.

The motion carried with 8 members voting in favor (Apfel, Ruge, Maurer, Robb, Rainforth, Rubio, Sears and Hoggatt) and no members voting no or abstaining.

O'Neill returned to chambers at 6:42 p.m. following the vote.

Alternatives

It appears that the Council has the following alternatives concerning the issue at hand. The Council may:

1. Move to approve
2. Refer the issue to a Committee
3. Postpone the issue to future date
4. Take no action on the issue

Sample Motion

If Council wishes to approve the designation of this property as blighted and substandard, an action required if Tax Increment Financing is to be used for the redevelopment of properties in this area, a motion should be made to approve the Substandard and Blight Designation for Redevelopment Area No. 20 in Grand Island, Hall County, Nebraska finding the information in the study to be factual and supporting such designation. A resolution authorizing the approval of this study has been prepared for Council consideration.

PURPOSE OF THE BLIGHT AND SUBSTANDARD STUDY

The purpose of completing this Blight and Substandard study is to examine existing conditions within a specific part of Grand Island. This study has been commissioned by the O'Neill Wood Resources in order to analyze the possibility of declaring the area as blighted and substandard.

The City of Grand Island, when considering conditions of Blight and Substandard, will be looking at those issues and definitions provided for in the Nebraska Community Redevelopment Law as found in Chapter 18, Section 2104 of the Revised Nebraska State Statutes, as follows:

"The governing body of a city, to the greatest extent it deems to be feasible in carrying out the provisions of Sections 18-2101 to 18-2144, shall afford maximum opportunity, consistent with sound needs of the city as a whole, to the rehabilitation or redevelopment of the community redevelopment area by private enterprises. The governing body of a city shall give consideration to this objective in exercising its powers under sections 18-2101 to 18-2144, including the formulation of a workable program, the approval of community redevelopment plans consistent with the general plan for the development of the city, the exercise of its zoning powers, the enforcement of other laws, codes, and regulations relating to the use and occupancy of buildings and improvements, the disposition of any property acquired, and providing of necessary public improvements".

The Nebraska Revised Statutes §18-2105 continues by granting authority to the governing body for formulation of a workable program. The statute reads,

"The governing body of a city or an authority at its direction for the purposes of the Community Development Law may formulate for the entire municipality a workable program for utilizing appropriate private and public resources to eliminate or prevent the development or spread of urban blight, to encourage needed urban rehabilitation, to provide for the redevelopment of substandard and blighted areas, or to undertake such of the aforesaid activities or other feasible municipal activities as may be suitably employed to achieve the objectives of such workable program. Such workable program may include, without limitation, provision for the prevention of the spread of blight into areas of the municipality which are free from blight through diligent enforcement of housing, zoning, and occupancy controls and standards; the rehabilitation or conservation of substandard and blighted areas or portions thereof by replanning, removing congestion, providing parks, playgrounds, and other public improvements by encouraging voluntary rehabilitation and by compelling the repair and rehabilitation of deteriorated or deteriorating structures; and the clearance and redevelopment of substandard and blighted areas or portions thereof."

Blight and Substandard are defined as the following:

"Substandard areas means an area in which there is a predominance of buildings or improvements, whether nonresidential or residential in character, which, by reason of dilapidation, deterioration, age or obsolescence, inadequate provision for ventilation, light, air, sanitation, or open spaces, high density of population and overcrowding, or the existence of conditions which endanger life or property by fire and other causes, or any combination of such factors, is conducive to ill health, transmission of disease, infant mortality, juvenile delinquency, and crime, (which cannot be remedied through construction of prisons), and is detrimental to the public health, safety, morals, or welfare;"

"Blighted area means an area, which (a) by reason of the presence of a substantial number of deteriorated or deteriorating structures, existence of defective or inadequate street layout, faulty lot layout in relation to size, adequacy, accessibility, or usefulness, insanitary or unsafe conditions, deterioration of site or other improvements, diversity of ownership, tax or special assessment delinquency exceeding the fair value of the land, defective or unusual conditions of title, improper subdivision or obsolete platting, or the existence of conditions which endanger life or property by fire and other causes, or any combination of such factors, substantially impairs or arrests the sound growth of the community, retards the provision of housing accommodations, or constitutes an economic or social liability and is detrimental to the public health, safety, morals, or welfare in its present condition and use and (b) in which there is at least one of the following conditions: (i) Unemployment in the designated area is at least one hundred twenty percent of the state or national average; (ii) the average age of the residential or commercial units in the area is at least forty years; (iii) more than half of the plotted and subdivided property in an area is unimproved land that has been within the city for forty years and has remained unimproved during that time; (iv) the per capita income of the area is lower than the average per capita income of the city or village in which the area is designated; or (v) the area has had either stable or decreasing population based on the last two decennial censuses. In no event, shall a city of the metropolitan, primary, or first class designate more than thirty-five percent of the city as blighted, a city of the second class shall not designate an area

larger than fifty percent of the city as blighted, and a shall not designate an area larger than one hundred percent of the as blighted;"

Furthermore, Chapter 18, Section 2123.01 of the Revised Nebraska State Statutes:

Redevelopment project with property outside corporate limits; formerly used defense site; agreement with county authorized.

- (1) Notwithstanding any other provisions of the Community Development Law to the contrary, a city may undertake a redevelopment project that includes real property located outside the corporate limits of such city if the following requirements have been met:*
 - (a) The real property located outside the corporate limits of the city is a formerly used defense site;*
 - (b) The formerly used defense site is located within the same county as the city approving such redevelopment project;*
 - (c) The formerly used defense site is located within a sanitary and improvement district;*
 - (d) The governing body of the city approving such redevelopment project passes an ordinance stating such city's intent to annex the formerly used defense site in the future; and*
 - (e) The redevelopment project has been consented to by any city exercising extraterritorial jurisdiction over the formerly used defense site.*
- (2) For purposes of this section, formerly used defense site means real property that was formerly owned by, leased to, or otherwise possessed by the United States and under the jurisdiction of the United States Secretary of Defense. Formerly used defense site does not include missile silos.*
- (3) The inclusion of a formerly used defense site in any redevelopment project under this section shall not result in:*
 - (a) Any change in the service area of any electric utility or natural gas utility unless such change has been agreed to by the electric utility or natural gas utility serving the formerly used defense site at the time of approval of such redevelopment project; or*
 - (b) Any change in the service area of any communications company as defined in section [77-2734.04](#) unless (i) such change has been agreed to by the communications company serving the formerly used defense site at the time of approval of such redevelopment project or (ii) such change occurs pursuant to sections [86-135](#) to [86-138](#).*
- (4) A city approving a redevelopment project under this section and the county in which the formerly used defense site is located may enter into an agreement pursuant to the Interlocal Cooperation Act in which the county agrees to reimburse such city for any services the city provides to the formerly used defense site after approval of the redevelopment project.*

This Blight and Substandard Study is intended to give the Grand Island Community Redevelopment Authority, Hall County Regional Planning Commission and Grand Island City Council the basis for identifying and declaring Blighted and Substandard conditions existing within the City's jurisdiction and as allowed under Chapter 18, Section 2123.01. Through this process, the City and property owners will be attempting to address economic and/or social liabilities which are harmful to the well-being of the entire community.

The study area can be seen in Figure 1 of this report. A Redevelopment Plan to be submitted in the future will contain, in accordance with the law, definite local objectives regarding appropriate land uses, improved traffic, public transportation, public utilities and other public improvements, and the proposed land uses and building requirements in the redevelopment area and shall include:

- The boundaries defining the blighted and substandard areas in question (including existing uses and conditions of the property within the area), and
- A list of the conditions present which qualify the area as blighted and substandard.

BLIGHT AND SUBSTANDARD ELIGIBILITY STUDY

This study targets a specific area within an established part of the community for evaluation. The area is indicated in Figure 1 of this report. The existing uses in this area includes several industrial uses, commercial uses and a limited number of residential uses within the corporate limits of Grand Island.

Through the redevelopment process the City of Grand Island can guide future development and redevelopment throughout the area. The use of the Community Redevelopment Act by the City of Grand Island is intended to redevelop and improve the area. Using the Community Redevelopment Act, the City of Grand Island can assist in the elimination of negative conditions and implement different programs/projects identified for the City.

The following is the description of the designated area within Grand Island.

Study Area

Figure 1
Study**Area****Map**

Source: Marvin Planning Consultants 2016

The Study consists of area described as follows: The Point of Beginning is the intersection of West Old Potash Road and North 70th Road (Alda Road); thence, northeasterly along the centerline of North 70th Road to the intersection with the centerline of West 13th Street (County Road 33); thence westerly along the centerline of West 13th Street (County Road 33) to the extended west property line of a parcel described as Center Township PT E 1/2N of RR 18-11-10 231.28 AC; thence southerly along said west property line to the intersection with the centerline of West Old Potash Road; thence easterly to the POB. Total acres are 285.26 acres.

EXISTING LAND USES

The term “Land Use” refers to the developed uses in place within a building or on a specific parcel of land. The number and type of uses are constantly changing within a community, and produce a number of impacts either benefitting or detracting from the community. Because of this, the short and long-term success and sustainability of the community is directly contingent upon available resources utilized in the best manner given the constraints the City faces during the course of the planning period. Existing patterns of land use are often fixed in older communities and neighborhoods, while development in newer areas is often reflective of current development practices.

Existing Land Use Analysis within Study Area

As part of the planning process, a survey was conducted through both in-field observations, as well as data collection online using the Hall County Assessors website. This survey noted the use of each parcel of land within the study area. These data from the survey are analyzed in the following paragraphs.

TABLE 1: EXISTING LAND USE, GRAND ISLAND – 2016

Type of Use	Acres	Percent of Developed land within the Study Area	Percent of Study Area
Residential	0.00	0.0%	0.0%
Single-family	0	0.0%	0.0%
Multi-family	0.00	0.0%	0.0%
Manufactured Housing	0	0.0%	0.0%

Commercial	27.53	100.0%	9.7%
Quasi-Public/Public	0	0.0%	0.0%
Parks/Recreation	0	0.0%	0.0%
Transportation	0.00	0.0%	0.0%
Total Developed Land	27.53	100.0%	
Vacant/Agriculture	257.53		90.3%
Total Area	285.26		100.0%

Source: 2016 Grand Island Blight Study Area 20, Marvin Planning Consultants

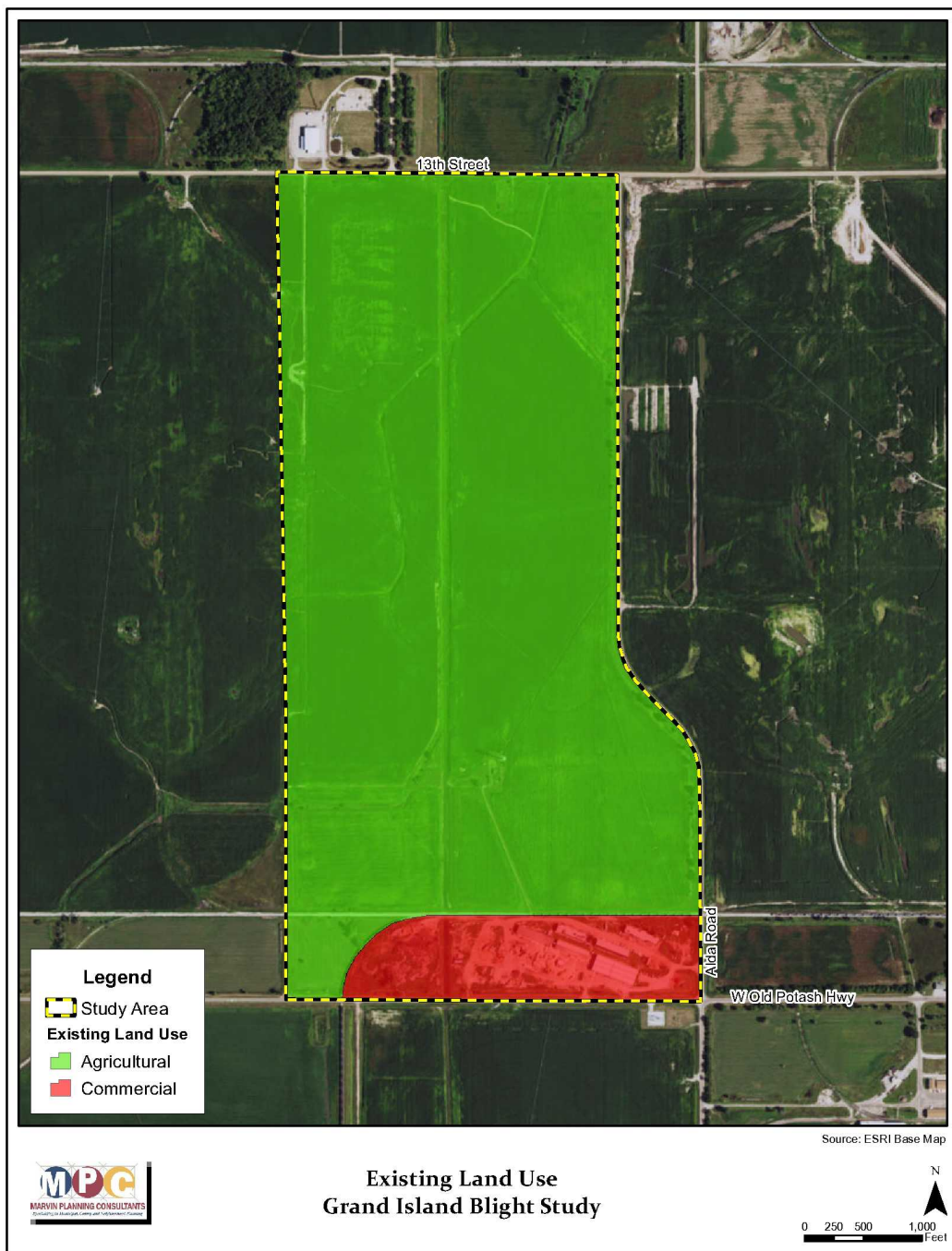
Table 1 includes the existing land uses for the entire study area. The table contains the total acres determined per land use from the survey; next is the percentage of those areas compared to the total developed land; and finally, the third set of data compare the all land uses to the total area within the Study Area. As discussed previously, the Study Area is considered to be commercial based upon the assessor's classification (9.7%) and land considered vacant accounts for 90.3% of the total area.

Figure 2
Existing

Land

Use

Map



Source: Marvin Planning Consultants, 2016

FINDINGS OF BLIGHT AND SUBSTANDARD CONDITIONS ELIGIBILITY STUDY

This section of the study examines the conditions found in the study area. The Findings Section will review the conditions based upon the statutory definitions.

FORMER DEFENSE SITE

Based upon Section 18-2103 of the Revised Nebraska State Statutes, this study area meets the criteria necessary to be deemed Blighted and Substandard. Additionally, the study area meets the criteria identified in §18-2123.01:

1. The real property located outside the corporate limits of the city is a formerly used defense site;
2. The formerly used defense site is located within the same county as the city approving such redevelopment project;

3. Formerly used defense site means real property that was formerly owned by, leased to, or otherwise possessed by the United States and under the jurisdiction of the United States Secretary of Defense. Formerly used defense site does not include missile silos.

OTHER CONTRIBUTING FACTORS

There were a number of conditions examined and evaluated in the field and online. There are a number of conditions that will be reviewed in detail, on the following pages, while some of the statutory conditions are not present.

Figure 3

Unit

Age

Map



Source: Marvin Planning Consultants, 2016

Age of Commercial Units

Age of commercial units can be a contributing factor to the blighted and substandard conditions in an area. Statutes allow for a predominance of commercial units 40 years of age or older to be a contributing factor regardless of their condition. The following paragraphs document the structural age of the commercial units within the Study Area. Note the age of commercial units was determined from the Appraisal data within the Hall County Assessor's website data.

Within the study area there is a total of 10 commercial units. After researching the structural age on the Hall County Assessor's and Treasurer's websites, the following breakdown was determined:

- 9 (90.0%) commercial units were determined to be 40 years of age or older
- 1 (10.0%) commercial units were determined to be less than 40 years of age

The age of commercial units would be a direct contributing factor.

Structural Conditions

Structural conditions were evaluated, structures were either rated as: Very Good, Good, Fair, Average, or badly worn. The data and rating system comes from the Hall County Assessor's database and is the same database used to value properties in the area.

Based upon the data provided to the planning team, the following is the breakdown for structures in the study area:

- 0 (0.0%) structures rated as very good
- 0 (0.0%) structures rated as good
- 0 (0.0%) structure rated as fair
- 1 (10.0%) structures rated as average
- 9 (90.0%) structure rated as badly worn



Based upon these data, an assumption has been made that average condition and less would constitute less than desirable conditions due to age and conditions. It is common for older structures to get more maintenance and upkeep in order to maintain a good or higher condition. Even an average structure will show some signs of deteriorating which in turn can become a dilapidated structure in the future if it is not addressed over time. Overall, 100.0% of the structures in this study area are average condition or worse.

Due to the stated conditions found in the Hall County Assessor's data, the condition of the structure is a contributing factor.

Deterioration of Site or Other Improvements

Drainage Conditions

Grand Island has a long history of drainage issues due to the extreme flatness of the area, as well as the high-water table. Topography and soils can have a major impact on how a given portion of the city drains. The area designated in this Study Area is nearly flat or has an extremely small slope.

Figure 4
Structural Conditions



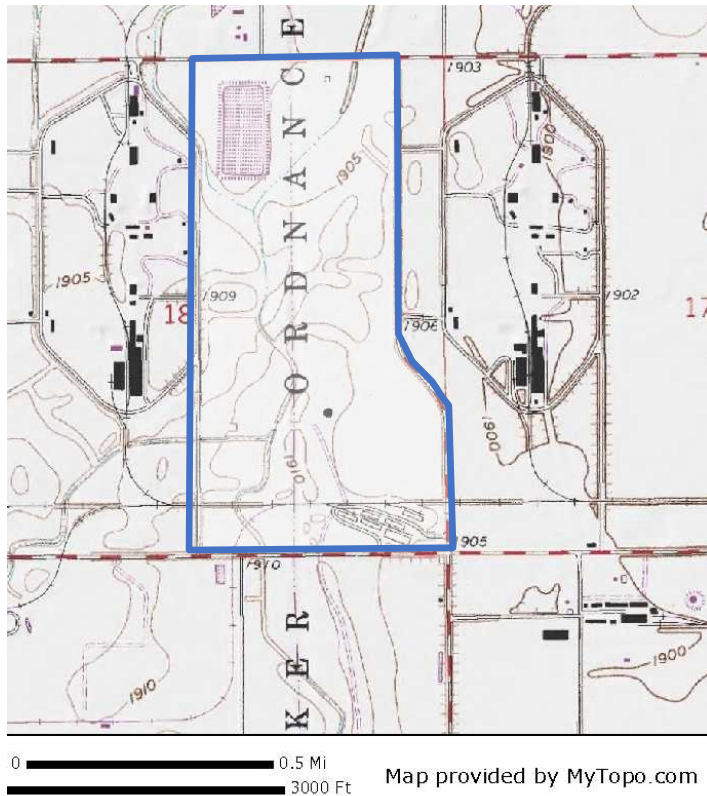
Source: Marvin Planning Consultants, 2016

The field survey examined the entire area for potential drainage problems.

Figure 5 is an existing topographic map from MyTopo.com showing the study area. The map confirms the flatness of the area throughout the entire study area falls along a contour of 1905 with occasional higher points. This contour covers the better portion of a mile-long section north to south.

The potential for standing water on this site is great. Standing water from poor drainage can be a catalyst for health issues like West Nile due to the potential mosquito breeding during the summer months.

Figure 5
Topographic Map of Study Area



Source: MyTopo.com (topographic map) and Marvin Planning Consultants

County Road Conditions

The study area has county roads on three sides of the properties. Old Potash Road is a paved road along the south edge of the area and is in average condition and is beginning to show some deterioration in places. The other two sides, 13th Street and Alda Road are graveled and appear to have above average traffic and are showing signs of wear. These roads are in need of continued maintenance now and in the future.

The existing road conditions are a contributing factor to the deterioration of site or other improvement within the area.

Stormwater management

The study area, is surrounded by rural section roads which includes drainage ditches. The ditches along with the lack of slope in the area, creates a negative impact on stormwater management for the area. This is typically true throughout the entire Hall County area.

The stormwater management system is a contributing factor to the deterioration of site or other improvement within the area.

Internal Infrastructure

The on-site area surrounding O'Neill Wood Resources is made up primarily of dirt and gravel. The area has numerous potholes and water holes. These are areas that may cause damages to vehicles. In addition, these areas are good places for standing water to collect and mosquitoes to collect.

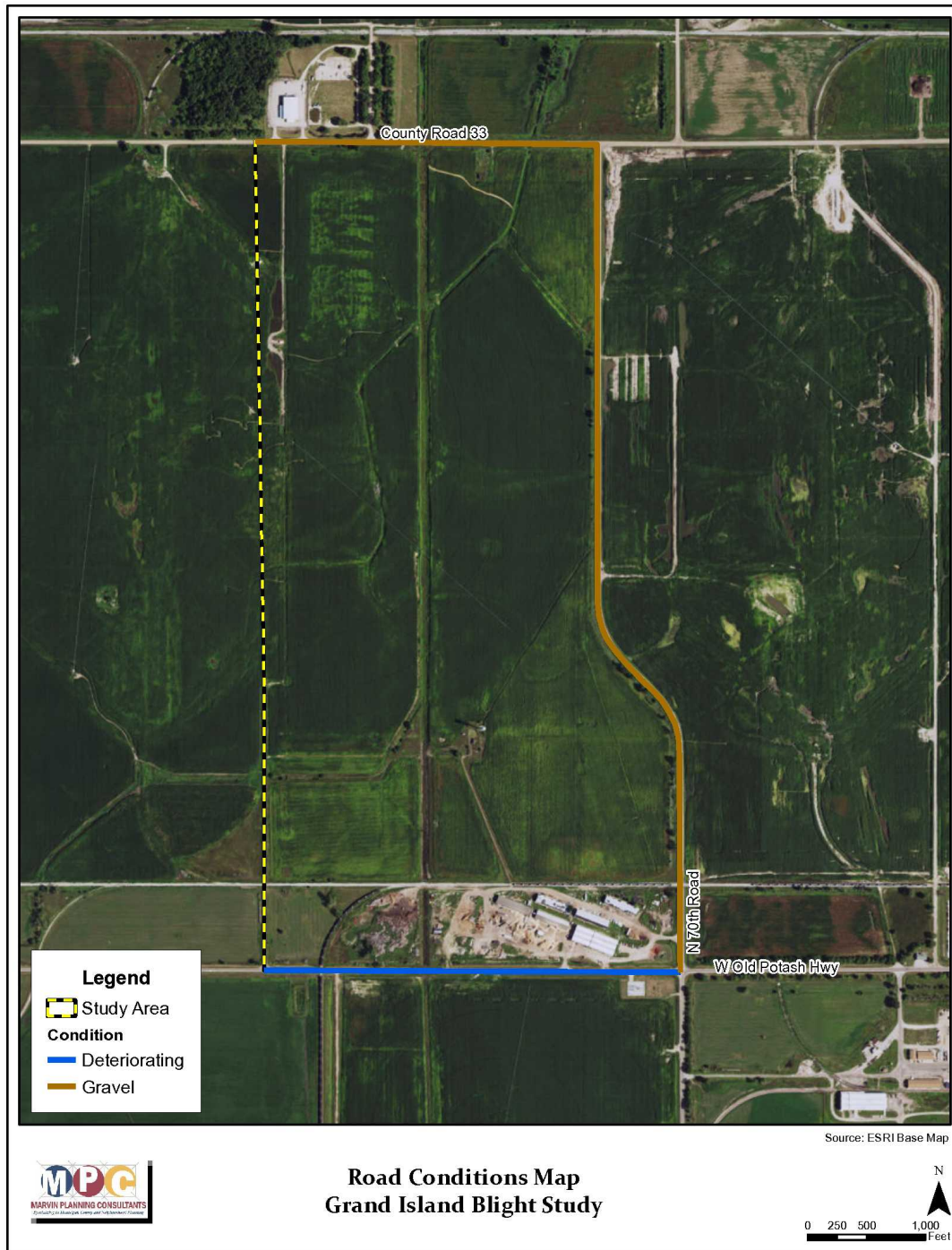
The internal infrastructure is a contributing factor to the deterioration of site or other improvement within the area.

Old Cornhusker Army Ammunition Plant Infrastructure and Contamination



Within the study area there are several pieces of the old base infrastructure still underground and above ground. Currently, there is an old water tower and well house on the O'Neill property and an old well house near 13th Street. In addition, there are old sanitary sewer lines still buried within the same area.

Figure 6
County Road Conditions



Source: Marvin Planning Consultants, 2016

Besides the water tower and well houses, there are older wood and asbestos covered water pipes connecting the old water system throughout the site, see Figure 7. These lines are currently in place as shown. At present, there is water still supplied through these lines to the O'Neill Wood Resources property (strictly for fire protection). Any type of development within this study will likely require the complete or partial removal of these asbestos pipes during demolition and construction, thus exposing the asbestos hazard if not controlled properly.

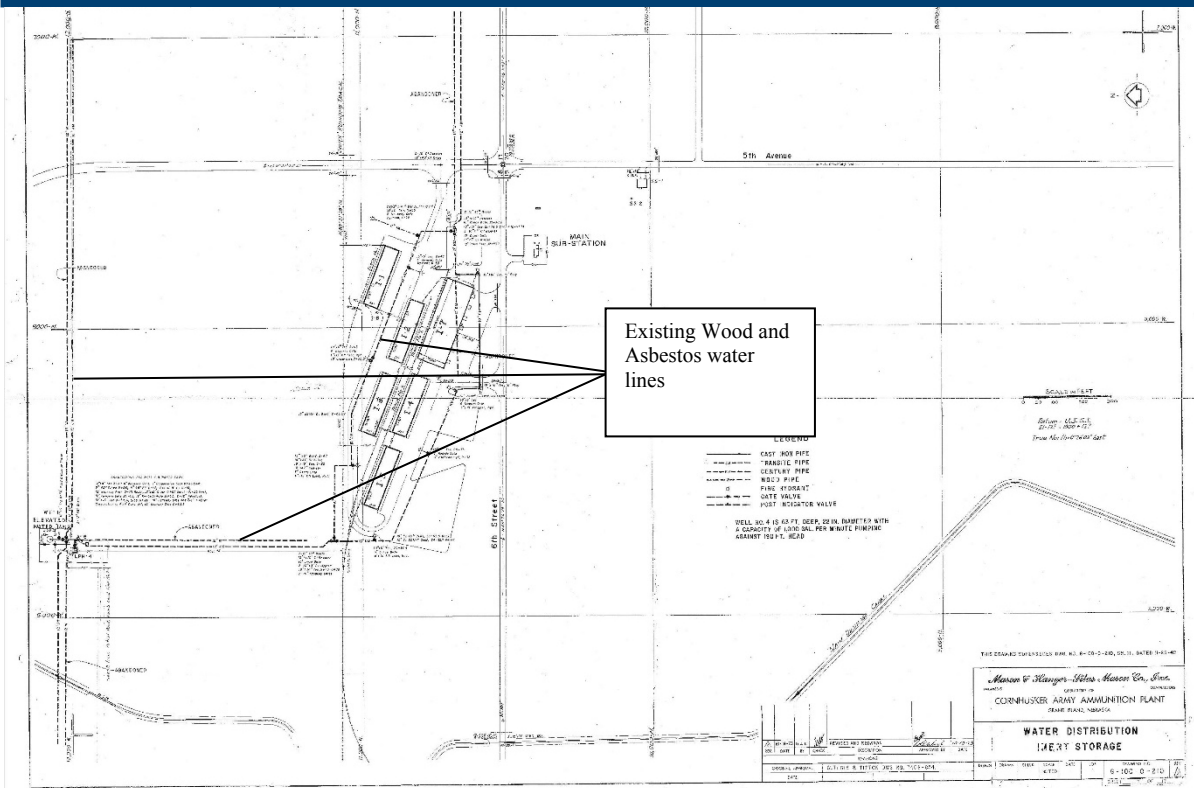
The existing sanitary sewer lines within the study area are constructed of similar materials. Similar to the water lines, these lines will likely need to be disturbed during any future development/redevelopment of the property, thus exposing the asbestos hazard if not controlled properly.

In addition to the aging and potentially hazardous infrastructure, the entire Cornhusker Army Ammunition Plant site is considered a potential hazardous area with regard to ground water contamination from RDX used during the manufacturing of explosives on the old site. The actual contamination plume is under the northern portion of the study area, see Figure 9. In addition, the plume has caused restrictions for potable domestic wells within the entire former ammunition plant site and beyond to be put into place.

The internal infrastructure, as well as, the former Cornhusker Army Ammunition Plant contamination plume are contributing factors to the deterioration of site or other improvement within the area.



Figure 7
Cornhusker Army Ammunition Plant Water System

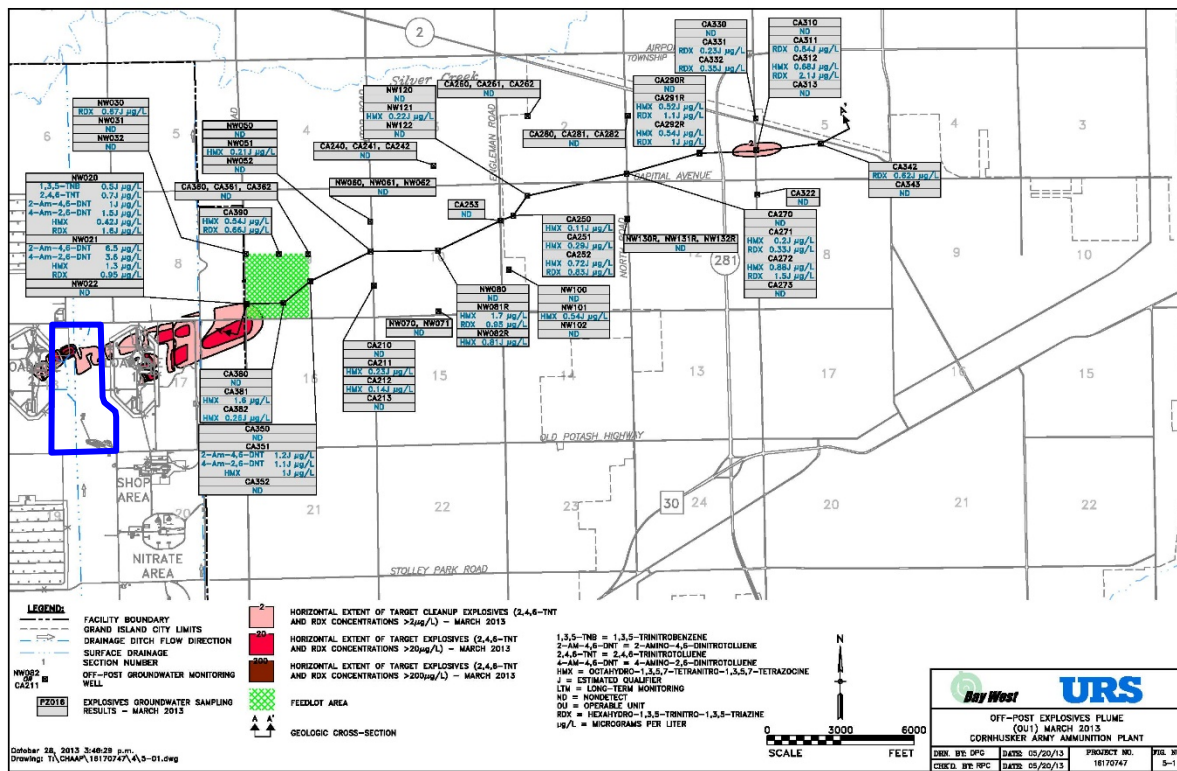


Source: City of Grand Island (Lot lines) and Marvin Planning Consultants

Figure 8
Cornhusker Army Ammunition Plant Sanitary Sewer System



Figure 9
Cornhusker Army Ammunition Plant Contamination Plume



Source: City of Grand Island (Lot lines) and Marvin Planning Consultants

Insanitary or Unsafe Conditions

There are a number of factors tending to fall under this category. The study area was found to have several factors falling into insanitary and unsafe. The following will outline the conditions found.

Drainage Conditions

Grand Island has a long history of drainage issues due to the extreme flatness of the area, as well as the high-water table. Topography and soils can have a major impact on how a given portion of the city drains. The area designated in this Study Area is nearly flat or has an extremely small slope.

Figure 5 shows the existing topographic map from MyTopo.com showing the study area. The map confirms the flatness of the area throughout the entire study area falls along a contour of 1905 with occasional higher points. This contour covers the better portion of a mile-long section north to south.

The potential for standing water on this site is great. Standing water from poor drainage can be a catalyst for health issues like West Nile due to the potential mosquito breeding during the summer months.

The drainage conditions are a contributing factor to the Insanitary and Unsafe Conditions within the area.

Stormwater management

The study area, is surrounded by rural section roads which includes drainage ditches. The ditches along with the lack of slope in the area, creates a negative impact on stormwater management for the area. This is typically true throughout the entire Hall County area.

The stormwater management system is a contributing factor to the Insanitary and Unsafe Conditions within the area.

Internal Infrastructure

The on-site area surrounding O'Neill Wood Resources is made up primarily of dirt and gravel. The area has numerous potholes and water holes. These are areas that may cause damages to vehicles. In addition, these areas are good places for standing water to collect and mosquitoes to collect.

The internal infrastructure is a contributing factor to the Insanitary and Unsafe Conditions within the area.

Old Cornhusker Army Ammunition Plant Infrastructure and Contamination

Within the study area there are several pieces of the old base infrastructure still underground and above ground. Currently, there is an old water tower and well house on the O'Neill property and an old well house near 13th Street. In addition, there are old sanitary sewer lines still buried within the same area.

Besides the water tower and well houses, there are older wood and asbestos covered water pipes connecting the old water system throughout the site, see Figure 7. These lines are currently in place as shown. At present, there is water still supplied through these lines to the O'Neill Wood Resources property (strictly for fire protection). Any type of development within this study will likely require the complete or partial removal of these asbestos pipes during demolition and construction, thus exposing the asbestos hazard if not controlled properly.

The existing sanitary sewer lines within the study area are constructed of similar materials. Similar to the water lines, these lines will likely need to be disturbed during any future development/redevelopment of the property, thus exposing the asbestos hazard if not controlled properly.

In addition to the aging and potentially hazardous infrastructure, the entire Cornhusker Army Ammunition Plant site is considered a potential hazardous area with regard to ground water contamination from RDX used during the manufacturing of explosives on the old site. The actual contamination plume is under the northern portion of the study area, see Figure 9. In addition, the plume has caused restrictions for potable domestic wells within the entire former ammunition plant site and beyond to be put into place.

The internal infrastructure, as well as, the former Cornhusker Army Ammunition Plant contamination plume are a contributing factor to the Insanitary and Unsafe Conditions within the area.

Existence of Conditions endangering life or property due to fire or other causes

As mentioned earlier, the entire Cornhusker Army Ammunition Plant site is considered a hazardous area with regard to ground water contamination. The actual contamination plume is under the northern portion of the study area, see Figure 9. In addition, the plume has caused restrictions for potable domestic wells within the entire former ammunition plant site and beyond to be put into place.

The groundwater is contaminated with RDX, a dangerous carcinogen, which was used in the manufacture of explosive devices during the life of the ammunition plant and is extremely unsafe to humans and other animals. Figure 9 indicates there two of three highest levels of contamination present in the study area. This chemical is directly linked to several medical problems and conditions.

Based upon the field analysis, there are sufficient elements present to meet the definition of dangerous conditions within the Study Area.

Combination of factors which are impairing and/or arresting sound growth

Within this study area there are a number of factors that are impairing or arresting sound growth. A couple of these include:

- The contamination plume is a major condition factor arresting sound growth in the Grand Island area.

Based upon the review of the area, there is one sufficient element present to meet the definition of combination of factors which are impairing and/or arresting sound growth within the Study Area.

Stable or decreasing population based on the last two decennial censuses

Over the past 20 years the population within the study area has been stable or decreasing. The Study Area has had no population for the past two decennial censuses. Therefore, it meets the criteria for a stable or decreasing population.

Based upon the criteria for the area, by the US Department of Defense, all future land uses in this area shall not include permanent residential structures.

Diversity of Ownership

Within this small study area, there are three different property owners including O'Neill Wood Resources, ARS Nebraska LLC, and CAIP LLC. Coordination of any redevelopment of this area may require specific intervention that a Blight and Substandard designation offers.

Blighting Summary

These conditions are contributing to the blighted conditions of the study area.

- **Qualifies under the Former Defense Site statute**

- The real property located outside the corporate limits of the city is a formerly used defense site;
- The formerly used defense site is located within the same county as the city approving such redevelopment project;
- Formerly used defense site means real property that was formerly owned by, leased to, or otherwise possessed by the United States and under the jurisdiction of the United States Secretary of Defense. Formerly used defense site does not include missile silos.

Criteria under Part A of the Blight Definition

- **Substantial number of deteriorating structures**
 - Within the study are 90.0% of the structures were deemed to be in a deteriorated state or worse. While the other 10% are considered to be in an average condition.
- **Deterioration of site or other improvements**
 - Drainage of existing site is difficult based upon the existing topography.
 - County Road conditions.
 - Stormwater management.
 - Internal Infrastructure.
 - Old Cornhusker Army Ammunition Plant infrastructure and Contamination.
- **Insanitary or Unsafe Conditions**
 - Drainage of existing site is difficult based upon the existing topography.
 - Stormwater management.
 - Internal Infrastructure.
 - Old Cornhusker Army Ammunition Plant infrastructure and Contamination.
- **Dangerous conditions to life or property due to fire or other causes**
 - Old Cornhusker Army Ammunition Plant Contamination.
- **Combination of factors which are impairing and/or arresting sound growth**
 - Old Cornhusker Army Ammunition Plant infrastructure and Contamination.
- **Diversity of Ownership**
 - There are currently three different owners listed for the property within the Study Area.

Criteria under Part B of the Blight Definition

- **Average age of commercial units is over 40 years of age**
 - Within the Study Area 90.0% of the commercial units meet the criteria of 40 years of age or older.
 - **Stable or decreasing population based on the last two decennial censuses**
 - The population of the Study Area has remained stable over the past two decennial censuses.
 - Based upon the county assessor's assessment records, the average age of the commercial units within the study area is 61.5 years.

The other criteria for Blight were not present in the area

- Faulty Lot Layout
- Improper Subdivision or Obsolete Platting
- Defective/Inadequate street layouts
- Tax or special assessment delinquency exceeding fair value of the land.
- Defective or unusual condition of title,
- Unemployment in the designated area is at least 120% of the state or national average.
- One-half of unimproved property is over 40 years old.
- The per capita income of the area is lower than the average per capita income of the city or village in which the area is designated.

These issues were either not present or were limited enough as to have little impact on the overall condition of the study area.

Substandard Conditions

FORMER DEFENSE SITE

Based upon Chapter 18, Sections 18-2103 and 2123.01 of the Revised Nebraska State Statutes, this study area is deemed to be Blighted and Substandard. The area meets the necessary eligibility criteria identified in the §§18-2103 and 18-2123.01:

1. The real property located outside the corporate limits of the city is a formerly used defense site;
2. The formerly used defense site is located within the same county as the city approving such redevelopment project;
3. Formerly used defense site means real property that was formerly owned by, leased to, or otherwise possessed by the United States and under the jurisdiction of the United States Secretary of Defense. Formerly used defense site does not include missile silos.

Predominance of Buildings/Improvements based on Age, Dilapidation, and Deterioration

Age of buildings or improvements can be a contributing factor to the blighted and substandard conditions in an area. Statutes allow for a predominance of units that are 40 years of age or older to be a contributing factor regardless of their condition. Note the age of structure was determined from the Appraisal data within the Hall County Assessor's website data.

Within the study area there is a total of 10 structures. After researching the structural age on the Hall County Assessor's and Treasurer's websites, the following breakdown was determined:

- 9 (90.0%) commercial units were determined to be more than 40 years of age
- 1 (10.0%) commercial units were determined to be less than 40 years of age

There is a predominance of buildings or improvements 40 years of age or older.

Structural Conditions

Structural conditions of buildings or improvements were evaluated, structures were either rated as: Very Good, Good, Fair, Average (deteriorating), or badly worn (dilapidation). The data and rating system comes from the Hall County Assessor's database and is the same database used to value properties in the area.

Based upon the data provided to the planning team, the following is the breakdown for building or improvements in the study area:

- 0 (0.0%) buildings or improvements rated as very good
- 0 (0.0%) buildings or improvements rated as good
- 0 (0.0%) buildings or improvements rated as fair
- 1 (10.0%) buildings or improvements rated as average
- 9 (90.0%) buildings or improvements rated as badly worn

Based upon these data, an assumption has been made that average condition and less would constitute less than desirable conditions (deteriorating and/or dilapidation) due to physical conditions. It is common for older structures to get more maintenance and upkeep in order to maintain a good or higher condition. Even an average structure will show some signs of deteriorating which in turn can become a dilapidated structure in the future if it is not addressed over time. Overall, 100.0% of the structures in this study area are average condition or worse.

Due to the stated conditions found in the Hall County Assessor's data, the condition of the buildings or improvements are a contributing factor.

Substandard Summary

Nebraska State Statute requires that *"...an area in which there is a predominance of buildings or improvements, whether nonresidential or residential in character, which, by reason of dilapidation, deterioration, **age** or obsolescence, inadequate provision for ventilation, light, air, sanitation, or open spaces, high density of population and overcrowding, or **the existence of conditions which endanger life or property by fire and other causes**, or any combination of such factors, is conducive to ill health, transmission of disease, infant mortality, juvenile delinquency, and crime, (which cannot be remedied through construction of prisons), and is detrimental to the public health, safety, morals, or welfare;"*

This Study Area in Grand Island meets the definition of Substandard as defined in the Revised Nebraska State Statutes.

FINDINGS FOR GRAND ISLAND BLIGHT STUDY AREA #20

Blight Study Area #20 has several items contributing to the Blight and Substandard Conditions. These conditions include:

Blighted Conditions

- Former Defense Site

Blighting Conditions – Part A

- Substantial number of deteriorated or deteriorating structures
- Deterioration of site or other improvements
- Insanitary and Unsafe Conditions
- Dangerous conditions to life or property due to fire or other causes
- Combination of factors which are impairing and/or arresting sound growth
- Diversity of Ownership

Blighting Conditions – Part B

- Stable or decreasing population based on the last two decennial censuses
 - Average age of commercial units is over 40 years of age

Substandard Conditions

- Former Defense Site
- Predominance of Buildings/Improvements based on Age, Dilapidation, and Deterioration

HALL COUNTY REGIONAL PLANNING COMMISSION

A RESOLUTION RECOMMENDING APPROVAL OF A BLIGHT AND SUBSTANDARD STUDY FOR A FORMERLY USED DEFENSE SITE BY THE CITY OF GRAND ISLAND, NEBRASKA; AND APPROVAL OF RELATED ACTIONS

WHEREAS, the Grand Island City Council at its December 13, 2016 meeting, referred **the Blight and Substandard Study commissioned by O'Neill Wood Resources** to the Hall County Regional Planning Commission, (the "**Commission**") for review and recommendation as to its conformity with the general plan for the development of the City of Grand Island, Hall County, Nebraska, pursuant to the Nebraska Community Development Law, Chapter 18, Article 21, Reissue Revised Statutes of Nebraska, as amended (the "**Act**"), including the redevelopment of formerly used defense sites; and

WHEREAS, the Commission has reviewed said Blight and Substandard Study and confirmed the following findings:

- This property as presented in the study meets the requirements to be declared substandard,
- This property as presented in the study meets the requirements to be declared blighted,
- The factors are necessary to declare the property blighted and substandard are sufficiently distributed to impact development across the entire site,
- This property despite its potential for economic development has not experience significant development in large part because of the lack of public infrastructure in and around the site,
- That development of this property to its full potential is in the best interest of the City of Grand Island and the entire region,
- That there are projects ready to develop at this site if they can meet the financial goals of the developers,
- That the City of Grand Island, the Grand Island Area Economic Development Corporation, and the Hall County Board of Supervisors have repeatedly made attempts to encourage further industrial and manufacturing development of this site since it was declared surplus by the U.S. Army Corp of Engineers in the mid 1990's.

NOW, THEREFORE, BE IT RESOLVED BY THE HALL COUNTY REGIONAL PLANNING COMMISSION AS FOLLOWS:

Section 1. The Commission hereby recommends approval of the Blight and Substandard Study.

Section 2. All prior resolutions of the Commission in conflict with the terms and provisions of this resolution are hereby expressly repealed to the extent of such conflicts.

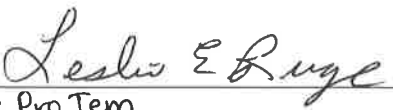
Section 3. This resolution shall be in full force and effect from and after its passage as provided by law.

DATED: January 4, 2017.

**HALL COUNTY REGIONAL PLANNING
COMMISSION**

ATTEST:

By: 
Secretary Pro Tem

By: 
Chair Pro Tem



NORTHWEST PUBLIC SCHOOLS

Lockwood 1R Cedar Hollow Chapman St. Libory Northwest

January 30, 2017

Mr. Chad Nabity, Regional Planning Director
Post Office Box 1968
Grand Island, NE 68802

Mr. Nabity,

This correspondence is sent to affirm that the Northwest Public Schools board of education discussed proposed substandard and blighted designation for parts of the Cornhusker Army Ammunition Depot at their board retreat held on January 25, 2017. At that time the board decided they would take a neutral position on this matter.

Thank you for your efforts to involve Northwest in the city's planning for this area of our district. We ask that you keep us apprised of any future studies or actions which the city may take that would impact this area.

Sincerely,

Matthew Fisher, Superintendent
Northwest Public Schools

District Office: 308-385-6398 - Fax: 308-385-6393 - 2710 N. North Road, Grand Island, NE 68803
Matt Fisher, Superintendent - www.ginorthwest.org



Hall County Board of Supervisors

121 South Pine Street, Grand Island, NE 68801
Phone (308) 385-5093 Fax (308) 385-5094 TDD (800) 833-7352
Stacey Ruzicka, Executive Assistant to the County Board

February 8, 2017

Mayor Jensen
City Council Members
PO Box 1968
Grand Island, NE 68802

On February 7, the county board of supervisors heard a presentation from Regional Planning Director Chad Nabity regarding blight and substandard studies at the former Cornhusker Army Ammunition Plant. The county board voted unanimously in favor of determining the two sites currently under consideration as blighted and substandard, thus agreeing that TIF funds should be made available for projects on those properties.

We would like to have Mr. Nabity present any future blight studies and redevelopment plans to us so that we have the opportunity to make a recommendation and forward our comments to the city council regarding any future use of TIF funds at the former Cornhusker Army Ammunition Plant. Thank you for your consideration.

Sincerely,

A handwritten signature in cursive script that reads "Pamela E. Lancaster".

Pamela E. Lancaster
Chair – Hall County Board of Supervisors

Supervisors

Pamela E. Lancaster, Chair 381-2754 ♦ Scott Arnold 384-3905 ♦ Karen Bredthauer 382-2070
Douglas Lanfear 384-7289 ♦ Gary Quandt 382-8255 ♦ Jane Richardson 382-5878 ♦ Stephen Schuppan 380-0362