



# **City of Grand Island**

**Tuesday, November 20, 2018**

**Council Session**

## **Item H-1**

**Consideration of Forwarding Blighted and Substandard Study for  
Proposed Area #28 to the Hall County Regional Planning  
Commission (Tunnel Wash I LLC)**

**Staff Contact: Chad Nabity**

# **Council Agenda Memo**

**From:** Chad Nabity, AICP

**Meeting:** November 20, 2018

**Subject:** Proposed Blighted and Substandard Area #28

**Presenter(s):** Chad Nabity, Director Grand Island CRA

## **Background**

Attached you will find a copy of a Blighted and Substandard Study as prepared for Tunnel Wash I LLC by Marvin Planning Consultants. This study is approximately 78.45 acres of property in northwest Grand Island located between U.S. Highway 281 and Webb Road; and State and 13<sup>th</sup> Streets. The study as prepared and submitted indicates that this property could be considered blighted and substandard. The full study is attached for your review and consideration.

Tunnel Wash I LLC has submitted this study for the review and consideration of the Grand Island City Council as permitted by Nebraska law. If the blight and substandard designation is approved a TIF application will likely be submitted for redevelopment of property within the study area. The decision on whether to declare an area blighted and substandard is entirely within the jurisdiction of the City Council with a recommendation from the Planning Commission.

The question before Council will be whether to send the study to the Planning Commission for its review and feedback. If the item is not sent to the Planning Commission, the Council cannot declare the area blighted and substandard. Planning Commission will meet December 5 and would have a recommendation ready following that meeting.

Once an area has been declared blighted and substandard the CRA can accept redevelopment proposals for the area that might, or might not, include an application for Tax Increment Financing. Should this be approved, you can anticipate that Tunnel Wash I LLC will submit an application for TIF to assist with the costs associated with redeveloping some portion of this property.

## Discussion

The action item tonight relates to the study for proposed CRA Area No. 28 in northwest Grand Island as shown below. The study was prepared for 78.45 acres, all of which are in the Grand Island City Limits.



Grand Island City Attorney Jerry Janulewicz has reviewed the Nebraska Statutes and case law pertaining to the declaration of property as blighted and substandard. His comments on this application are as follows:

The statutes which provide for the creation of a redevelopment area or redevelopment project within a redevelopment area require the following procedure:

- A request is made to the city council to declare an area to be substandard and blighted and in need of development for purposes of enabling the creation of a redevelopment area or a redevelopment project within a redevelopment area.
- The city council submits the question of whether an area is substandard and blighted to the planning commission for its review and recommendation prior to making its declaration that an area is substandard and blighted.
- The planning commission must hold a public hearing and submit its written recommendations within 30 days of holding a public hearing on the request.
- Upon receipt of the recommendations from the planning commission the city council may make its findings and declaration with respect to the property within an area.
- Unless the city council of the city in which such area is located has, by resolution adopted after a public hearing with notice, declared such area to be a substandard and blighted

area in need of redevelopment, the Community Redevelopment Agency cannot prepare a redevelopment plan for a redevelopment project area.

- Following a declaration that an area is substandard and blighted, the Community Redevelopment Agency is authorized to prepare or cause to be prepared and recommend redevelopment plans to the governing body of the city and to undertake and carry out redevelopment projects within its area of operation and may enter into contracts with redevelopers of property containing covenants, restrictions, and conditions regarding the use of such property for residential, commercial, industrial, or recreational purposes or for public purposes in accordance with the redevelopment plan and such other covenants, restrictions, and conditions as the authority may deem necessary to prevent a recurrence of substandard and blighted areas or to effectuate the purposes of the Community Development Law, and to provide grants, loans, or other means of financing to public or private parties in order to accomplish the rehabilitation or redevelopment in accordance with a redevelopment plan. Within the area of operation of the Community Redevelopment Authority, the authority may exercise its statutory powers with respect to the redevelopment project.

Neb. Rev. Stat. §§ 18-2107; 18-2109.

As stated in Fitzke v. City of Hastings, 582 N.W.2d 301 (Neb. 1998):

A CRA is not authorized to prepare a redevelopment plan for a redevelopment project area unless the governing body of the city first enacts a resolution declaring such area to be “a substandard or blighted area in need of redevelopment.” § 18–2109. After such a declaration has been made and a redevelopment plan has been prepared and approved, a CRA is authorized to enter into contracts with redevelopers of property containing covenants, restrictions, and conditions regarding the use of such property for residential, commercial, industrial, or recreational purposes or for public purposes in accordance with the redevelopment plan and such other covenants, restrictions, and conditions as the [CRA] may deem necessary to prevent a recurrence of substandard or blighted areas ... and to provide grants, loans, or other means of financing to public or private parties in order to accomplish the rehabilitation or redevelopment in accordance with a redevelopment plan. § 18–2107(4). The CRA may utilize tax increment financing to pay for redevelopment projects undertaken pursuant to the CDL. § 18–2124.

“Under this statutory scheme, a private development project would be eligible for tax increment financing only if it is included within an area which has previously been declared blighted or substandard and is in furtherance of an existing redevelopment plan for that area. The declaration of property as blighted or substandard is not simply a formality which must be met in order to assist a private developer with tax increment financing; it is the recognition of a specific public purpose which justifies the expenditure of public funds for redevelopment.” Fitzke, id., citing Monarch Chemical Works, Inc. v. City of Omaha, 203 Neb. 33, 277 N.W.2d 423 (1979). The legislative intent underlying the Community Development Law is the elimination of blighted and substandard areas and to prevent the reoccurrence of blight through a cooperative effort of the public and private sectors, not to aid private developers. Fitzke, id.

At this point, Council is only making a decision about whether to forward the study to the Planning Commission for its recommendation or not. According to NRSS §18-2109, it is clear that the Planning Commission must hold a public hearing and have the opportunity to review the Blight Study prior to Council declaring the property substandard and



blighted. If Council wishes to consider a declaration of substandard and blight, State Statute requires that the question of whether an area is substandard and blighted is submitted to the Planning Commission for hearing, review and recommendation.

## **Blighted Area of the Community**

The city of Grand Island, as a City of the First Class, is permitted to designate an area of up to 35% of the municipal limits as blighted and substandard. As of November 1, 2018, 20.11% of the City has been declared blighted and substandard. Area 28 (this study) would add another 0.41% bringing the total area declared to 20.52%. The CRA commissioned a study of the Veteran's Home property (Proposed Area 16) that covered 530 acres and would, if approved, add 2.76% to the total area declared blighted and substandard. If both areas were to be approved and there are no changes in the city limits or areas declared blighted and substandard, 23.28% of the city would be declared blighted and substandard.

It does not appear that the declaration of Area 28 would significantly impact the City's ability to declare other areas blighted and substandard.

## **Alternatives**

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

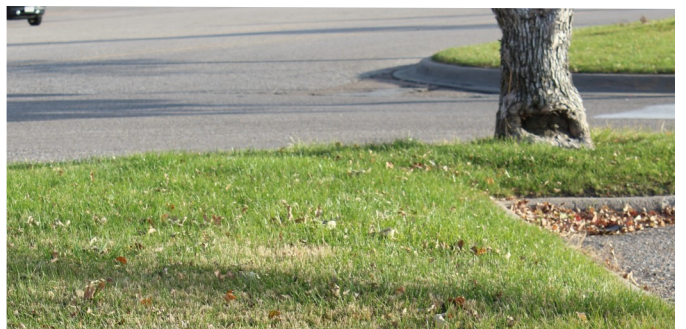
1. Move to forward the Study to the Planning Commission for its recommendation.
2. Move to not forward the Study to the Planning Commission for its recommendation.
3. Refer the issue to a committee.
4. Postpone the issue to future date.
5. Take no action on the issue.

## **Recommendation**

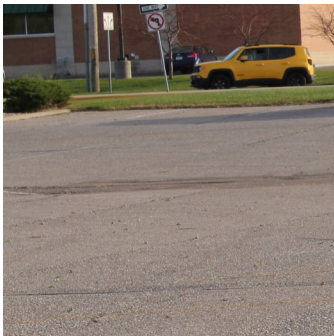
City Administration recommends that the Council move to forward the study to the Planning Commission if Council wishes to consider the use of Tax Increment Financing as a redevelopment tool for this property.

## **Sample Motion**

Move to forward the Study to the Planning Commission for their review and recommendation.



# Grand Island, Nebraska Blight and Substandard Study - Area 28 Prepared for: Tunnel Wash I LLC





**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. Tunnel Wash I LLC commissioned the study to analyze the possibility of declaring the area as blighted and substandard.

The City of Grand Island, when considering conditions of Blight and Substandard, look 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 the Community Development Law, shall afford maximum opportunity, consistent with the 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 the Community Development Law, 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 of land and the use and occupancy of buildings and improvements, the disposition of any property acquired, and the providing of necessary public improvements."*

The Nebraska Revised Statutes §18-2105 continues by granting authority to the governing body for the formulation of a workable program; disaster assistance; effect. 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."*

*"Notwithstanding any other provisions of the Community Development Law, where the local governing body certifies that an area is in need of redevelopment or rehabilitation as a result of flood, fire, hurricane, earthquake, storm, or other catastrophe respecting which the Governor of the state has certified the need for disaster assistance under federal law, the local governing body may approve a redevelopment plan and a redevelopment project with respect to such area without regard to the provisions of the Community Development Law requiring a general plan for the municipality and notice and public hearing or findings other than herein set forth."*

Based on the Nebraska Revised Statutes §18-2103 the following definitions shall apply:

**"Blighted area"** means an area (a) which, 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. A redevelopment project involving a formerly used defense site as authorized under section 18-2123.01 shall not count towards the percentage limitations contained in this subdivision;"

**"Extremely blighted area** means a substandard and blighted area in which: (a) The average rate of unemployment in the area during the period covered by the most recent federal decennial census is at least two hundred percent of the average rate of unemployment in the state during the same period; and (b) the average poverty rate in the area exceeds twenty percent for the total federal census tract or tracts or federal census block group or block groups in the area;"

**"Substandard area** 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; and"

**"Workforce housing** means:

- (a) Housing that meets the needs of today's working families;
- (b) Housing that is attractive to new residents considering relocation to a rural community;
- (c) Owner-occupied housing units that cost not more than two hundred seventy-five thousand dollars to construct or rental housing units that cost not more than two hundred thousand dollars per unit to construct. For purposes of this subdivision (c), housing unit costs shall be updated annually by the Department of Economic Development based upon the most recent increase or decrease in the Producer Price Index for all commodities, published by the United States Department of Labor, Bureau of Labor Statistics;
- (d) Owner-occupied and rental housing units for which the cost to substantially rehabilitate exceeds fifty percent of a unit's assessed value; and
- (e) Upper-story housing."

This Blight and Substandard Study is Blighted and Substandard Area 28. The 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 are existing within the City's jurisdiction and as allowed under Chapter 18. Through this process, the City and property owners will attempt to address economic and/or social liabilities which are harmful to the well-being of the entire community.

Figure 1 shows the study area of this report. A Redevelopment Plan to be submitted in the future containing, by 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.

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.

**BLIGHT AND SUBSTANDARD ELIGIBILITY STUDY**

This study targets a specific area within an established part of the community for evaluation. The area indicated in Figure 1 of this report. The findings are presented in the coming pages of the report.

**Study Area**

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

Point of beginning is the intersection of the centerlines of US Highway 281 and West State Street; thence bearing easterly along the centerline of West State Street to the intersection of the centerline of North Webb Road; thence, southerly along the centerline of North Webb Road to the intersection with the centerline of West 13<sup>th</sup> Street; thence, westerly along the centerline of West 13<sup>th</sup> Street to the intersection with the centerline of US Highway 281; thence, northerly along the centerline of US Highway 281 to the point of beginning.

**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 some impacts either benefitting or detracting from the community. 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.

The study area is within a highly commercial part of Grand Island. There are commercial uses to all sides of the study, including the redeveloping area of Blight and Substandard Area 9 from 2012.

**Existing Land Use Analysis within Study Area**

As part of the planning process, a survey 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 found in the following paragraphs.

**TABLE 1: EXISTING LAND USE, GRAND ISLAND - 2018**

| Type of Use          | Acres        | Percent of Developed land within the Study Area | Percent of Study Area |
|----------------------|--------------|---|-----------------------|
| Residential          | 0            | 0.0%  | 0.0%                  |
| Single-family        | 0            | 0.0%  | 0.0%                  |
| Multi-family         | 0            | 0.0%  | 0.0%                  |
| Manufactured Housing | 0            | 0.0%  | 0.0%                  |
| Commercial           | 63.45        | 87.3%   | 80.9%                 |
| Industrial           | 0            | 0.0%  | 0.0%                  |
| Quasi-Public/Public  | 0            | 0.0%  | 0.0%                  |
| Parks/Recreation     | 0            | 0.0%  | 0.0%                  |
| Transportation       | 9.22         | 12.7%   | 11.7%                 |
| Total Developed Land | 72.67        | 100.0%  | -                     |
| Vacant/Agriculture   | 5.78         |   | 7.4%                  |
| <b>Total Area</b>    | <b>78.45</b> |   | <b>100.0%</b>         |

Source: Marvin Planning Consultants 2018

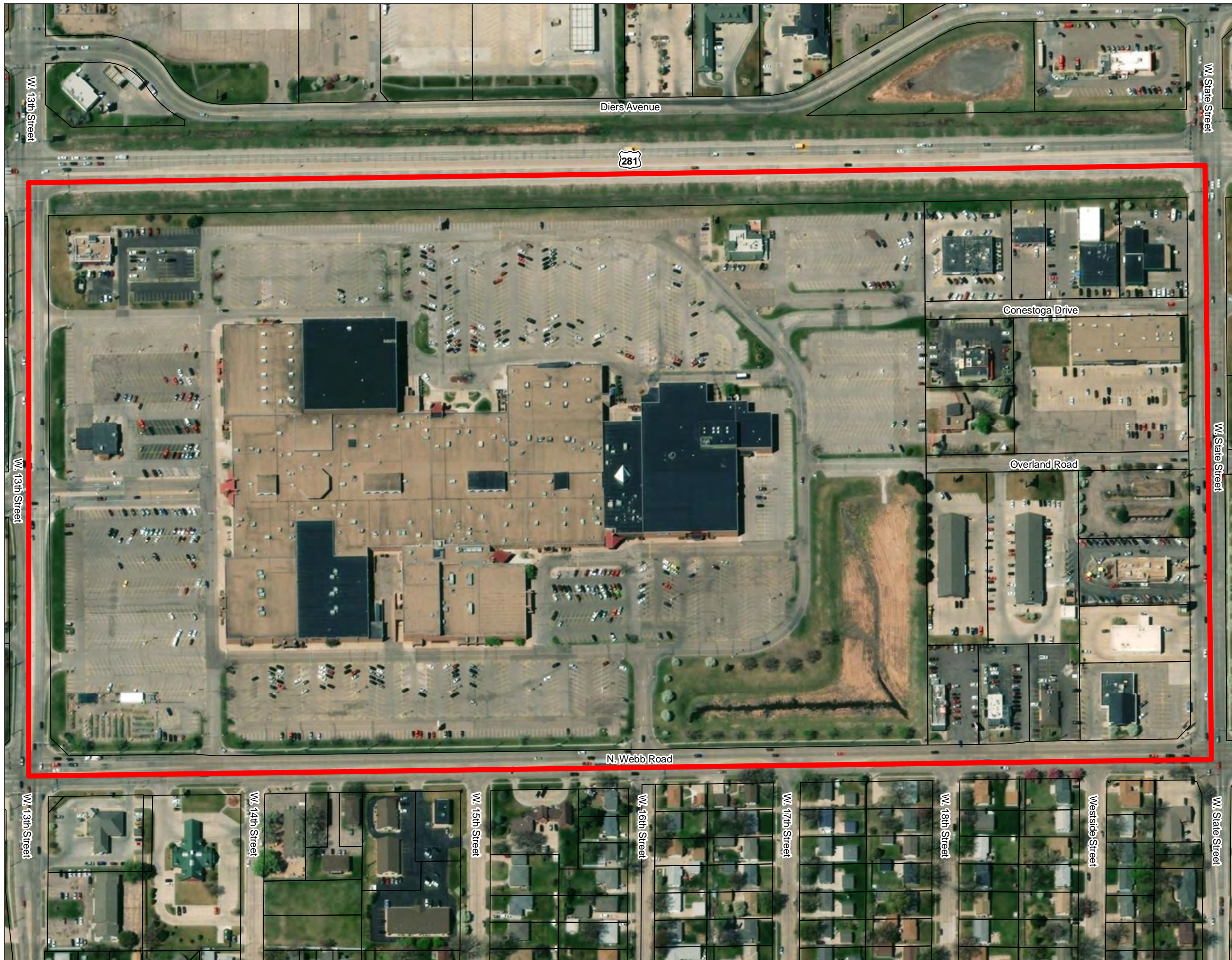
Table 1 includes the existing land uses for the entire study area. The table contains the total acres determined per land use from the survey; next is the percentage of those areas compared to the total developed land; and finally, the third set of data compare the all land uses to the total area within the Study Area. The Study Area is made up of Commercial (80.9%), Open Space (7.4%), and Transportation oriented land (street and R.O.W)(11.7%). The entire area considered completely developed.



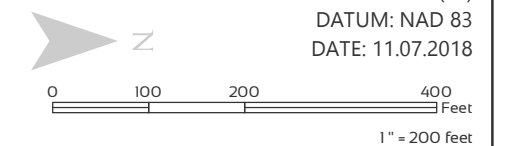
CITY OF GRAND ISLAND, NEBRASKA  
**CONESTOGA MALL BLIGHT STUDY**  
**STUDY AREA MAP**  
**FIGURE 1**

**LEGEND**

 Blight Study Area



PROJECTION: NE State Plane (Ft.)  
 DATUM: NAD 83  
 DATE: 11.07.2018






CITY OF GRAND ISLAND, NEBRASKA  
**CONESTOGA MALL BLIGHT STUDY**  
**EXISTING LAND USE MAP**  
**FIGURE 2**


**LEGEND**

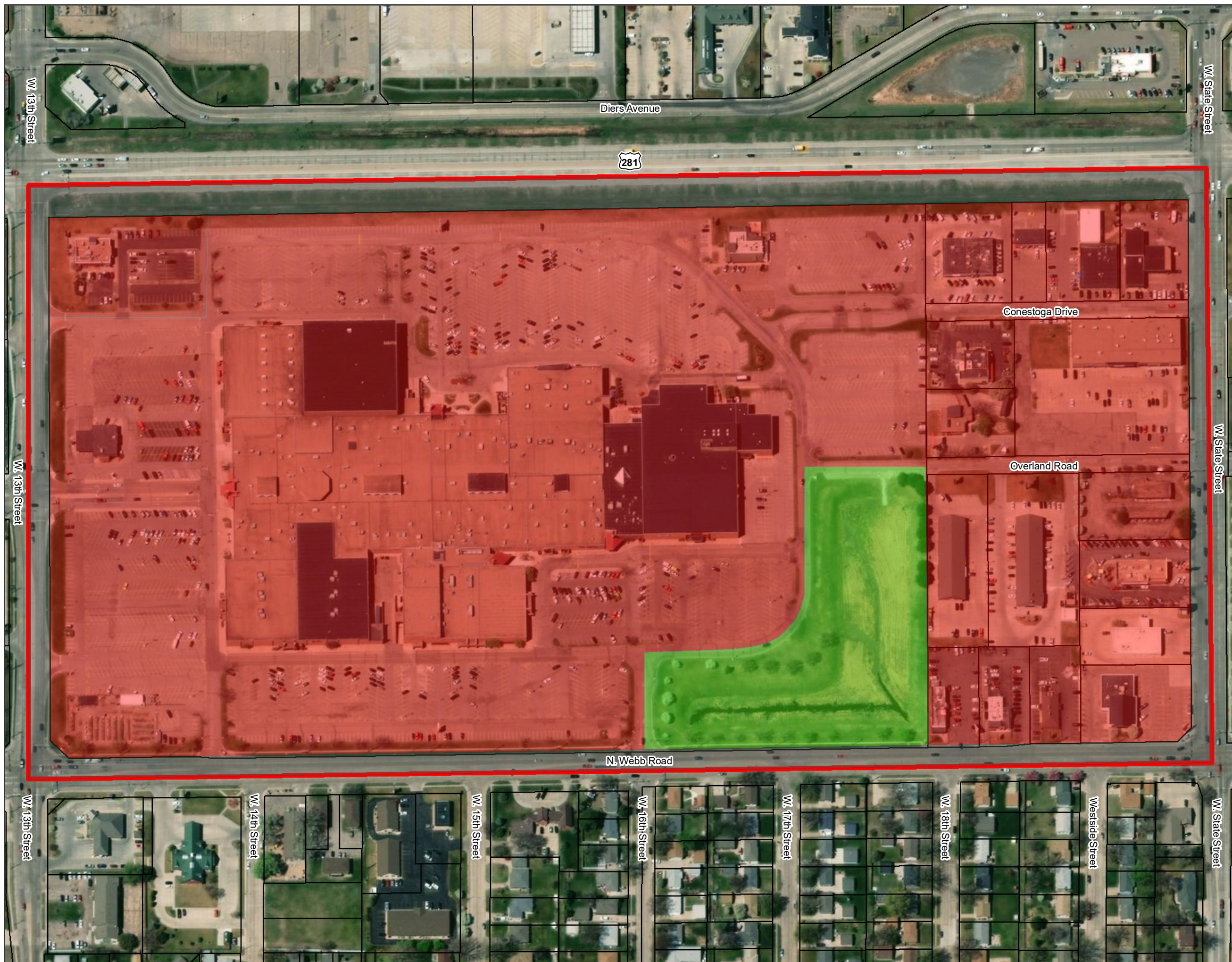
 Blight Study Area

**Existing Land Use**

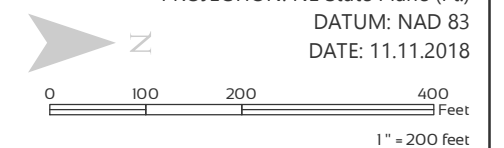
 Commercial

 Open Space

 Transportation



PROJECTION: NE State Plane (Ft.)  
 DATUM: NAD 83  
 DATE: 11.11.2018





## **FINDINGS OF BLIGHT AND SUBSTANDARD CONDITIONS ELIGIBILITY STUDY**

This section of the study examines the conditions found within the study area. The Findings Section reviews the conditions based upon the statutory definitions.

### **CONTRIBUTING FACTORS UNDER PART A OF THE BLIGHT DEFINITION**

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

#### ***Structural Conditions***

Existing structural conditions of buildings in the study area were determined using the Hall County Assessor's database. Structures rated out as either Very Good, Good, Fair, Average, or badly worn.

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
- 2 ( 5.3%) structures rated as good
- 0 ( 0.0%) structure rated as fair
- 36 (94.7%) structures rated as average
- 0 ( 0.0%) structures rated as badly worn



The exterior portion of the mall is beginning to show considerable wear, likely to deferred maintenance. In the photos above there are examples of where masonry construction has been compromised and is in danger of falling from the building onto the ground. Base upon a visual ground inspection, it appears like there is considerable water penetration in the brick and mortar system.

An assumption was made, based upon the data, that an average condition or less would constitute less than desirable conditions due to age and condition of the structure/building. It is common for older structures to get more maintenance and upkeep to maintain a good or higher condition. Even an average structure shows some signs of deteriorating which in turn can become a dilapidated structure in the future if not maintained. Overall, 94.7% of the structures in this study area are an average condition or worse.

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

### Deterioration of Site or Other Improvements

#### **Site Improvements Conditions**

The site improvements include the areas determined to be common areas for public ingress and egress to the study area as well as the area designed to move vehicular traffic through the site. Also, this includes the actual surface parking areas. The condition of the site improvements varies greatly.

The Study Area contains a major deteriorated condition; the parking areas throughout the area, as well as the demarcated driving areas.

The parking areas throughout the entire Study Area are in a serious state of deterioration. They are not yet in a dilapidated condition. The parking surface and driving areas contain major surface cracking, small break-ups and spawling. These conditions have been likely caused by several circumstances over the years, including:

- Lack of maintenance
- Sub-soil conditions
- Heavier than expected traffic
- Freeze/thaw cycles

Preventing a number of these items are possible through proper design, enforcement, and maintenance, with maintenance being a key.

Photos 1 through 10 indicate examples of different deteriorated conditions within the parking and driving areas across the entire site.

Due to a large amount of broken pavement in the Study Area, the parking areas are considered to be deteriorated or in a state of deteriorating; therefore, they are a direct contributing factor to the conditions of blight.







## **Diversity of Ownership**

Throughout the study area, there are 12 different property owners. However, in most cases, the difference is that one company owns the structure on the site; while, another entity, usually, Conestoga North or Conestoga Realty owns the ground underneath the structure.

This creates potential issues with future redevelopment of structures and property if the different ownership groups disagree. Also, the fact structures sit on land owned by another party will create a potential detriment to future redevelopment. Due to this factor, it may be necessary for a public intervention to guide future redevelopment activities in this specific study area.

Based upon the analysis, sufficient ownership issues present to make Diversity of Ownership a contributing factor for Blighting.

## **Improper Subdivision or Obsolete Platting**

Improper Subdivision or Obsolete Platting is present in several ways. These factors are bulleted below:

- First and foremost are the private streets on the north side of the study area, Conestoga Drive and Overland Road.
- The developed area in the northeast corner of the study area has been built out in a clustered manner, making traffic circulation difficult.
- The positioning of lots along West State Street and North Webb Road have access drives in a manner that makes traffic control and congestion problematic.

See Figure 5 for specific locations of the discussed items above. Based upon the analysis, sufficient ownership issues present to make Improper Subdivision or Obsolete Platting a contributing factor for Blighting.

## **Faulty Lot Layout**

Similar to Improper Subdivision or Obsolete Platting, Faulty Lot Layout is present in similar ways. These factors are bulleted below:

- The developed area in the northeast corner of the study area has been built out in a clustered manner, making traffic circulation difficult.
- The positioning of lots along West State Street and North Webb Road have access drives in a manner making traffic control and congestion problematic.

See Figure 6 for specific locations of the discussed items above. Based upon the analysis, sufficient ownership issues present to make Faulty Lot Layout a contributing factor for Blighting.

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

There are several factors present within the study area meeting this criterion are discussed in the following paragraphs.

### **Functional Obsolescence**

The primary structure within the study area is the Conestoga Mall. The mall was constructed in the mid-1970's and was designed using common mall layouts and concepts. However, as the retail markets have been changing, these types of facilities have been losing popularity. It is a similar issue seen by the Grand Island Mall which was declared Blighted and Substandard in 2012 and has been the focus of several redevelopment projects since the declaration.

Malls and retail use constructed in today's economy are more open air, even in colder climate regions. The newer mall models are doing more to make the shopping experience more than "just shopping." These older regional malls have lost favor with consumers across the United States. Some examples within the region include the Imperial Mall in Hastings, the mall in North Platte, the mall in Hutchinson, KS. The phenomena have also affected larger cities such as Omaha; Kansas City, MO; Overland Park, KS; and more.

The survival of this mall into the future, including survival of its Functional Obsolescence, will be dependent on ownership willing to re-focus the mall itself.



CITY OF GRAND ISLAND, NEBRASKA  
**CONESTOGA MALL BLIGHT STUDY**  
**STRUCTURE**  
**CONDITION MAP**  
**FIGURE 3**

**LEGEND**

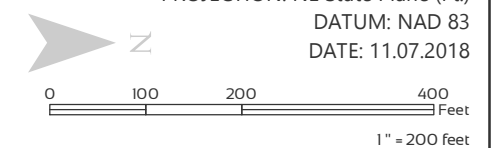
 Blight Study Area

**Structure Condition**

-  Good
-  Average
-  Poor



PROJECTION: NE State Plane (Ft.)  
 DATUM: NAD 83  
 DATE: 11.07.2018



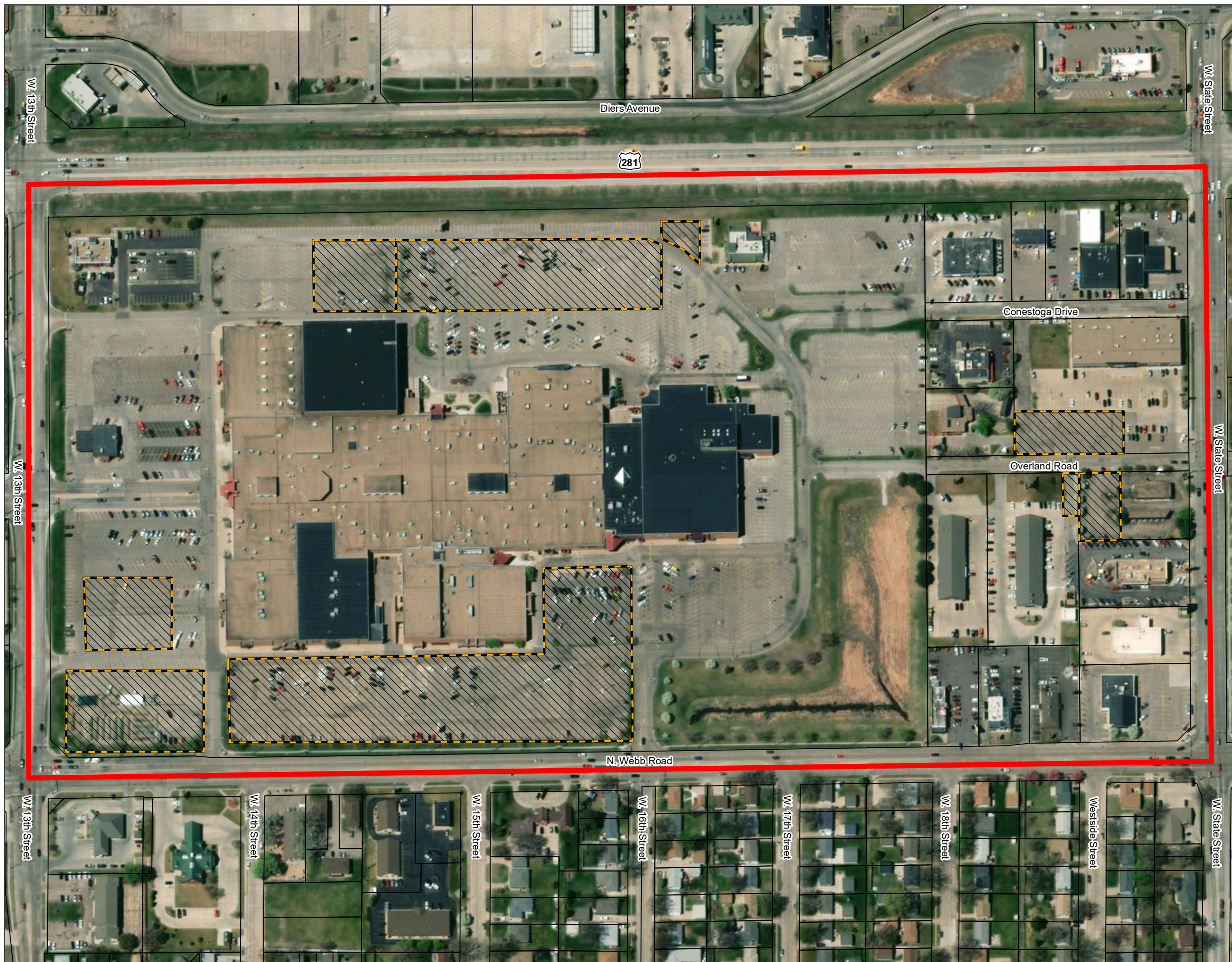


DETERIORATION OF  
SITE OR OTHER  
IMPROVEMENTS MAP

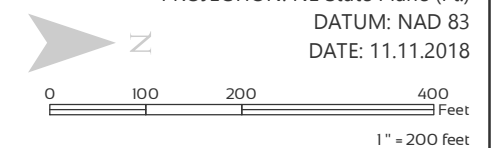
FIGURE 4

LEGEND

- Blight Study Area
- Location of Parking Lot  
Deterioration

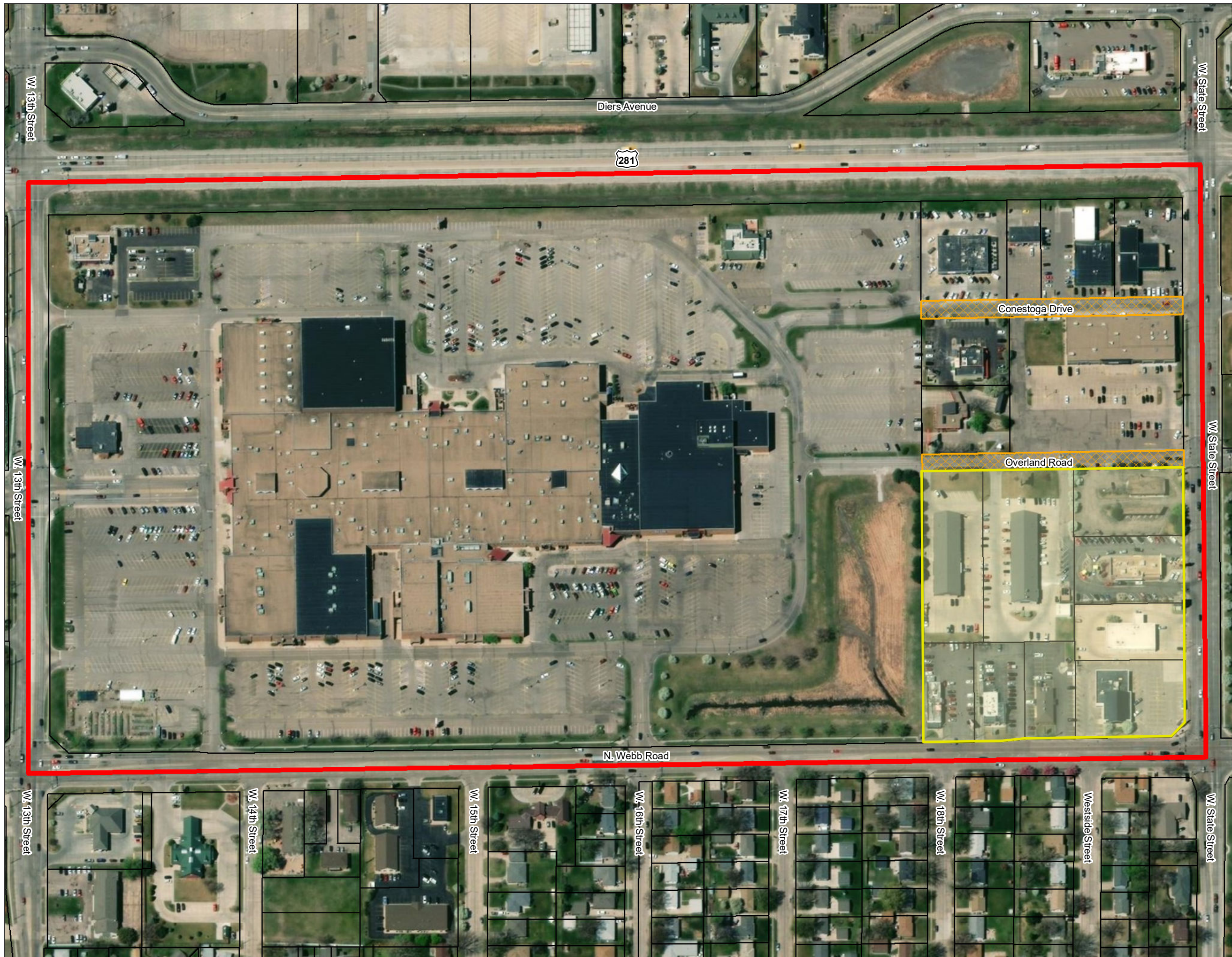


PROJECTION: NE State Plane (Ft.)  
DATUM: NAD 83  
DATE: 11.11.2018



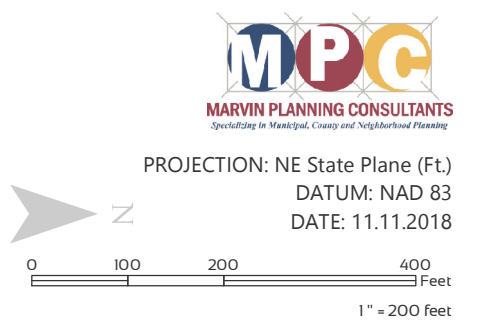


CITY OF GRAND ISLAND, NEBRASKA  
**CONESTOGA MALL BLIGHT STUDY**  
 IMPROPER SUBDIVISION OR  
 OBSOLETE PLATTING MAP  
**FIGURE 5**



**LEGEND**

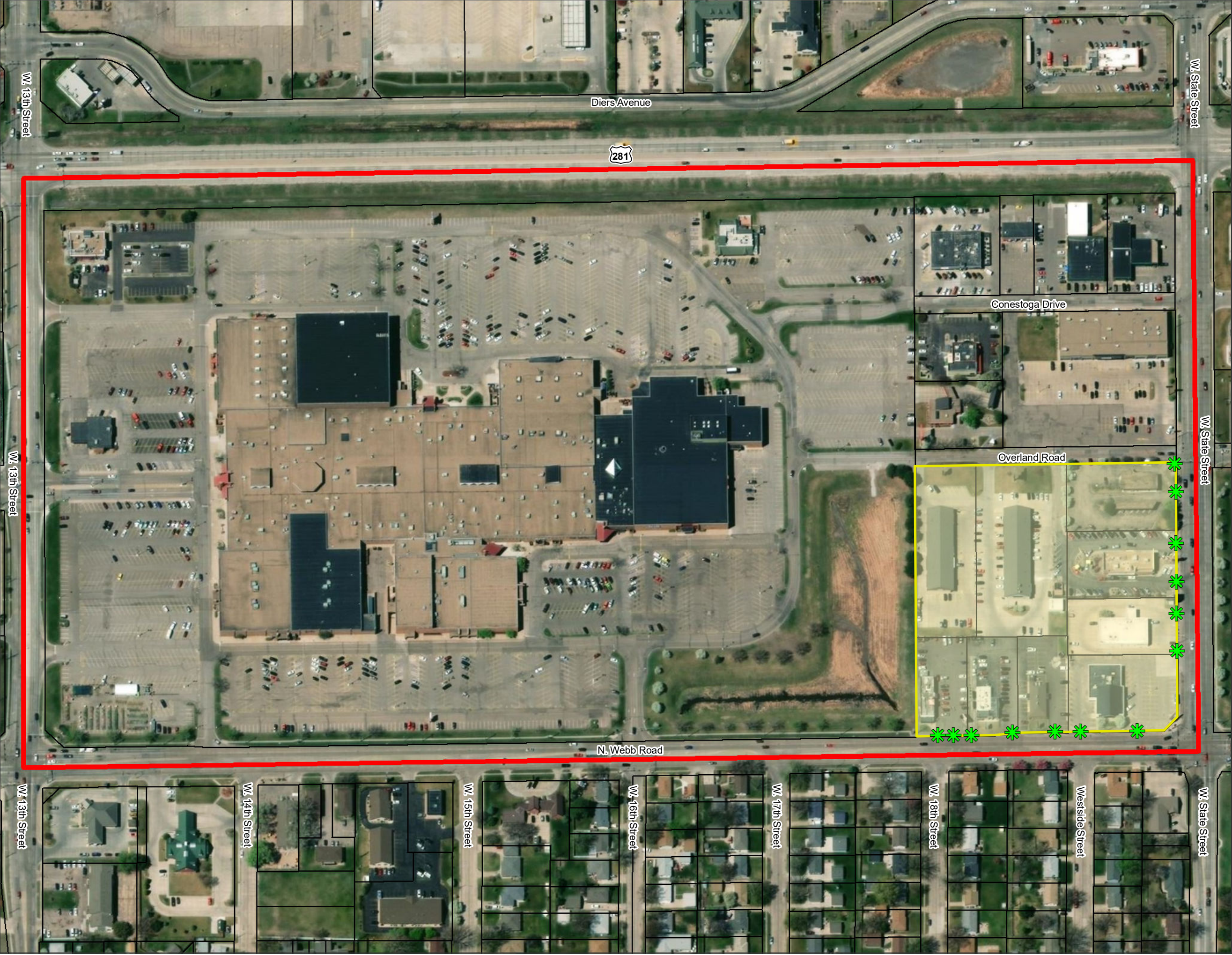
- Blight Study Area
- Congested Clustering
- Private Street






CITY OF GRAND ISLAND, NEBRASKA  
CONESTOGA MALL BLIGHT STUDY  
FAULTY LOT LAYOUT MAP  
FIGURE 6


- LEGEND**
- Blight Study Area
  - Congested Clustering
  - ✱ Access Points too close





**MPC**  
MARVIN PLANNING CONSULTANTS  
Specializing in Municipal, County and Neighborhood Planning

PROJECTION: NE State Plane (Ft.)  
DATUM: NAD 83  
DATE: 11.11.2018



0 100 200 400  
Feet

1" = 200 feet



### Retail Markets of the 21<sup>st</sup> Century

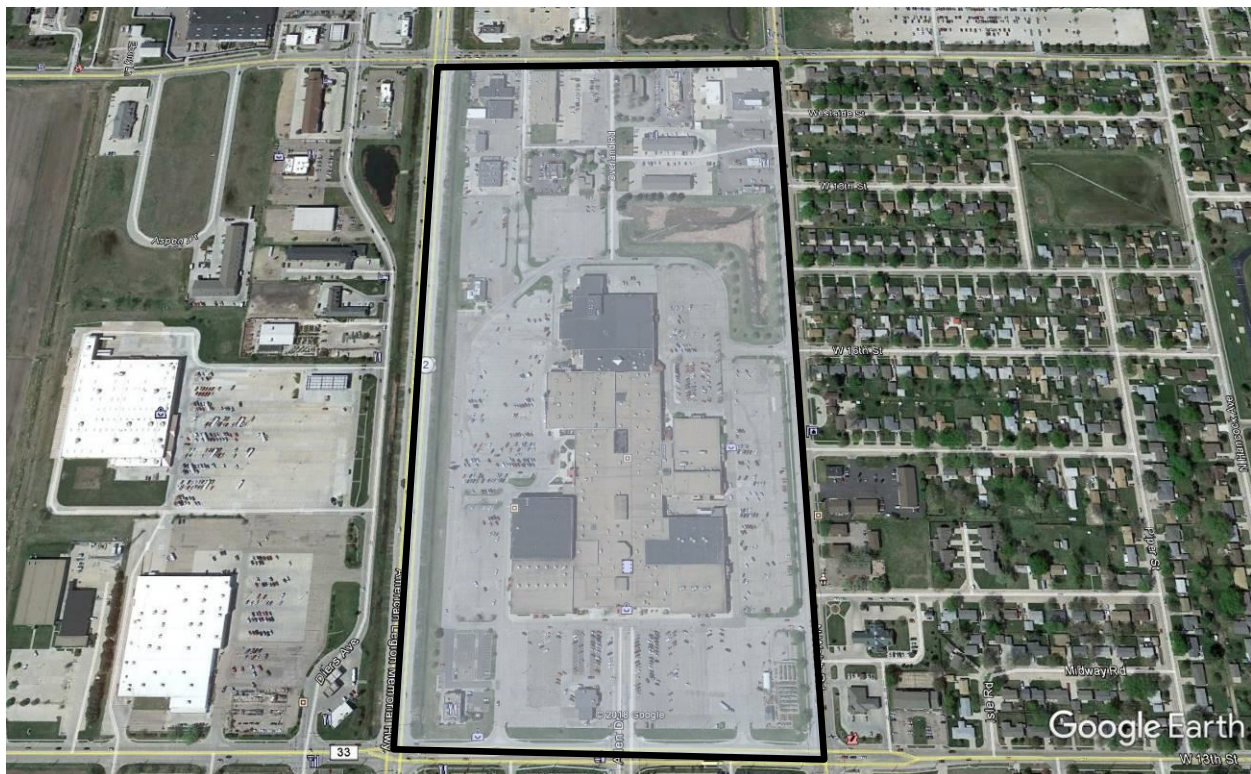
Retail in the 21<sup>st</sup> Century has been evolving rapidly. The evolution led by consumers wanting more than the 1960 to 1970 malls with their shopping experience has been a big factor; however, the rise of e-commerce and Amazon has also been a major contributing factor to the retail revolution.

With the retail revolution of the 21<sup>st</sup> Century, several mainstream retailers have had trouble competing. Several retailers, including several anchors at the Conestoga Mall, have had economic issues. The past year saw Bon-Ton declare Chapter 7 bankruptcy which shut down all their retail stores including the Younkers Store at Conestoga Mall. Also, Sears has recently filed for Chapter 11 bankruptcy protection, and the announcement on November 8, 2018 that the Conestoga Mall store will be closing by February. Retail analysts are continually talking about the potential bankruptcy of JC Penny, which is a major anchor of the Conestoga Mall. Once, Sears closes their store in early 2019, two of the five anchors (40%) will have closed their doors.

A lack of major retailers located at Conestoga Mall impairs and arrests sound growth of this facility in the future.

### The buildup of the mall area

Looking at the Conestoga Mall on aerials, the mall located on the southernmost location of the land. North of the primary mall was eventual built-out with smaller strip centers. These strip centers to the north impair the future expansion of the primary mall. Also, the location of the primary mall and strip centers creates an issue with expanding parking on the mall property. These factors do impair and arrest sound growth of the study area.



### Defective/Inadequate Street Layouts

Under normal blight evaluation, this criteria would apply to public streets. However, in the case of this study are, it applies to the internal traffic circulation of the mall property and the adjoining strip centers to the north. Figure 8 indicates the primary and secondary circulation loops. The Figure also indicates potential concerns with the layouts on the site. There are enough circulation concerns on-site to make Defective/Inadequate Street Layouts a contributing factor to declaring the area as Blighted.

## CONTRIBUTING FACTORS UNDER PART B OF THE BLIGHT DEFINITION

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

### Age of Structure

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

**TABLE 2: AVERAGE STRUCTURAL AGE, BY METHOD - 2018**

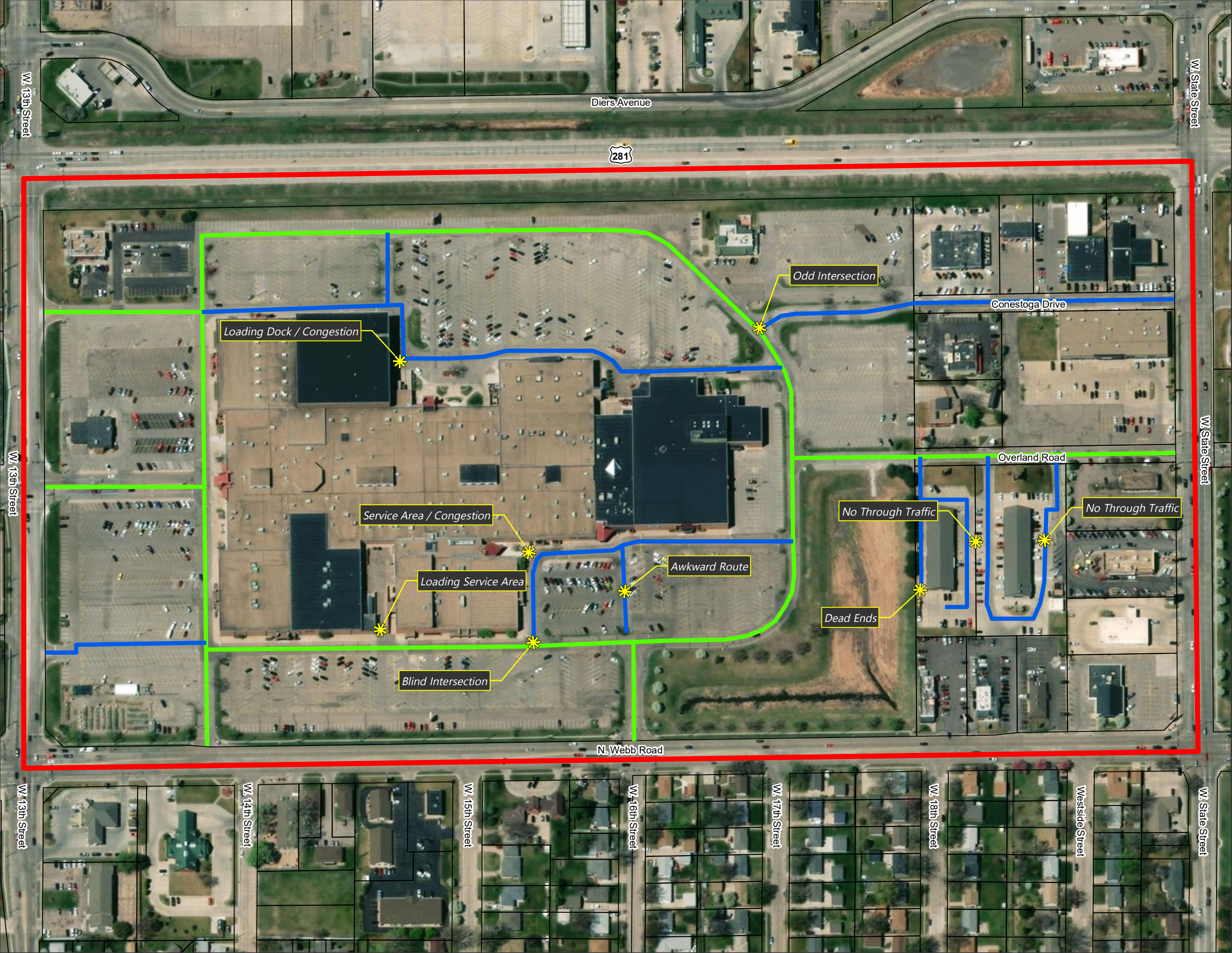
| Owner                       | Year Built | Number of Structures | Age | Cumulative Age |
|-----------------------------|------------|----------------------|-----|----------------|
| Balznailstics               | 1960       | 1                    | 59  | 59             |
| Mehring                     | 1970       | 1                    | 49  | 108            |
| Norwest Bank                | 1974       | 1                    | 45  | 153            |
| Conestoga North             | 1974       | 3                    | 135 | 288            |
| Powhein LLC                 | 1974       | 1                    | 45  | 333            |
| Conestoga Realty            | 1975       | 11                   | 484 | 817            |
| Conestoga Realty            | 1975       | 2                    | 88  | 905            |
| Pathway Bancorp             | 1975       | 3                    | 132 | 1037           |
| Jomida Inc                  | 1975       | 2                    | 88  | 1125           |
| Conestoga Realty            | 1976       | 1                    | 43  | 1168           |
| Conestoga North             | 1976       | 1                    | 43  | 1211           |
| Conestoga North             | 1978       | 1                    | 41  | 1252           |
| Conestoga North             | 1978       | 1                    | 41  | 1293           |
| Runza Drive Inn             | 1979       | 1                    | 40  | 1333           |
| Conestoga Realty            | 1980       | 1                    | 39  | 1372           |
| Home Federal Savings & Loan | 1989       | 1                    | 30  | 1402           |
| Mehring                     | 1993       | 1                    | 26  | 1428           |
| General Mills Restaurants   | 1995       | 1                    | 24  | 1452           |
| Mehring                     | 1996       | 1                    | 23  | 1475           |
| Mehring                     | 1996       | 1                    | 23  | 1498           |
| Powhein LLC                 | 1998       | 1                    | 21  | 1519           |
| McDonalds                   | 2007       | 1                    | 12  | 1531           |
|                             |            |                      | 38  | 1531           |
| <b>Average Age</b>          |            |                      |     | <b>40.3</b>    |

Source: Hall County Assessor's and Marvin Planning Consultants 2018


Another method to analyze this area is using square footage. State statute discusses commercial units; in the commercial world, it is not about the building as much as it is about square footage. Therefore, this analysis is also examining the age of the built square footage. Based upon data from the Hall County Assessor's office, there is a total of 651,412 built square footage in the area. Of the 651,412 total square footage, 611,965 built square feet are 40 years or old, which is 93.94% of the total build out. Therefore, more than 50% of the square footage is 40 years of age or older.



CITY OF GRAND ISLAND, NEBRASKA  
**CONESTOGA MALL BLIGHT STUDY**  
 DEFECTIVE / INADEQUATE  
 STREET LAYOUT MAP  
**FIGURE 7**




- LEGEND**
- Blight Study Area
  - Primary Circulation Loop
  - Secondary Circulation Loop



**MARVIN PLANNING CONSULTANTS**  
Specializing in Municipal, County and Neighborhood Planning

PROJECTION: NE State Plane (Ft.)  
 DATUM: NAD 83  
 DATE: 11.11.2018




0 100 200 400  
 Feet

1" = 200 feet





CITY OF GRAND ISLAND, NEBRASKA  
**CONESTOGA MALL BLIGHT STUDY**  
**STRUCTURE AGE MAP**  
**FIGURE 8**

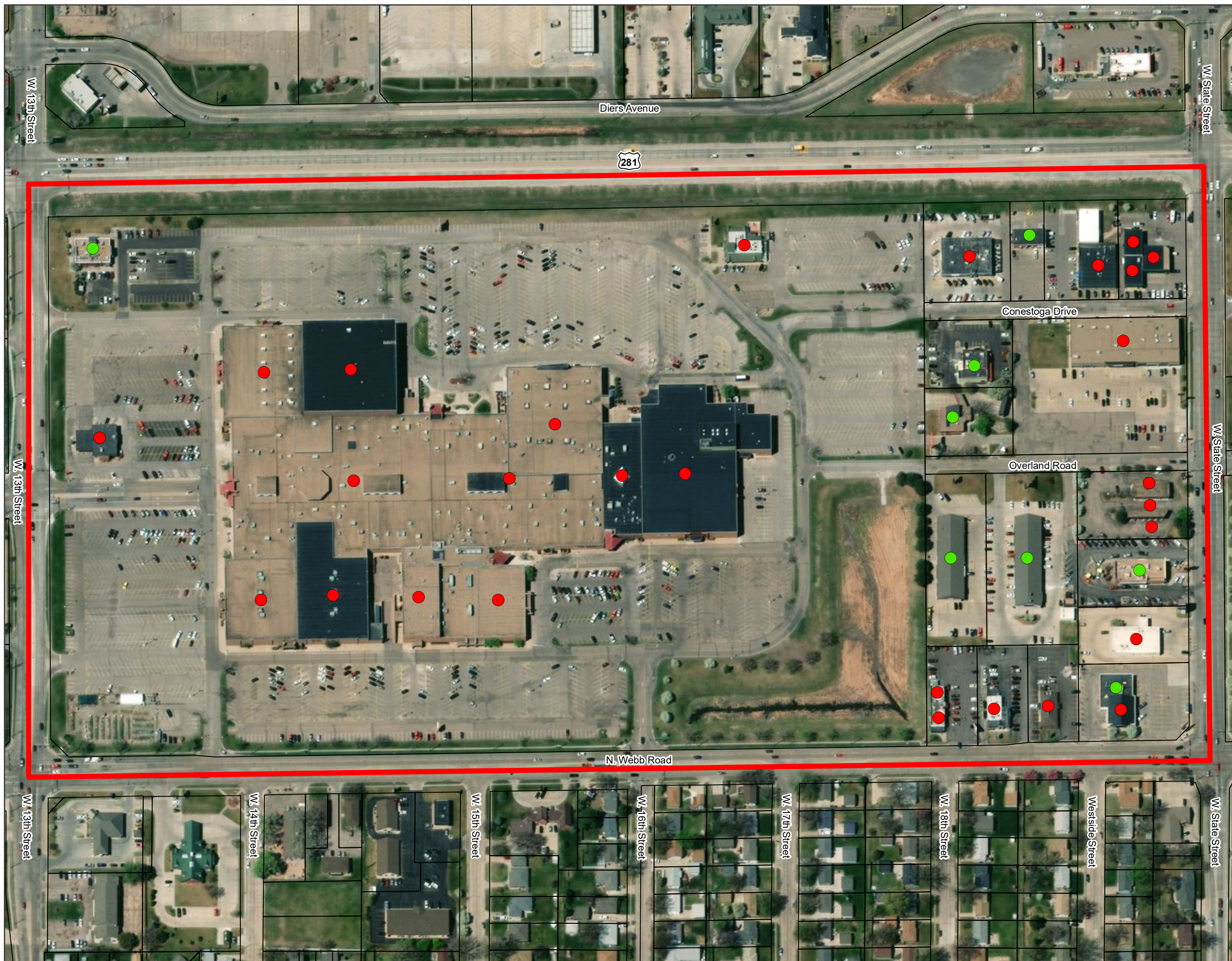
**LEGEND**

 Blight Study Area

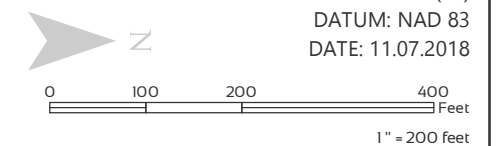
**Structure Age**

 Less than 40 Years

 40 Years or Older



PROJECTION: NE State Plane (Ft.)  
 DATUM: NAD 83  
 DATE: 11.07.2018





The final means to examine the age of structures is the actual number of structures within the 40 years or more or less than 40 years categories. Overall, there are 38 structures within the study area, based upon the Hall County Assessor's data (Hall County Assessor divides the primary mall structure into 11 separate units, thus 38 total). After researching the structural age on the Hall County Assessor's and Treasurer's websites, the following breakdown was determined:

- 30 (78.9%) unit was determined to be 40 years of age or older
- 8 (21.1%) unit was determined to be less than 40 years of age

However, when examining the age based upon a cumulative approach, as in Table 2, the average age of the primary structures is equal to 40.3 years; thus, meeting the requirements of the statutes.

The age of the structures would be a direct contributing factor.

### ***Stable or decreasing population based upon the last two decennial census***

The population of the study area has seen a stable population based upon the last two decennial census'. Over the course of the past 40 years there have not been any residential units within this study area.

Therefore, stable or decreasing population based upon the last two decennial censuses is a contributing factor to the blighted conditions of the area.

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

### **Criteria under Part A of the Blight Definition**

- **Substantial number of deteriorating structures**
  - Within the study are 94.7% of the structures were deemed to be in either average or badly worn condition.
  - Two (5.3%) structures has been deemed as being in good condition.
  - Several locations around the primary mall are indicating moisture damage to the brick façade, with some locations
- **Deterioration of site or other improvements**
  - The majority of the asphalt parking areas around the primary mall is in a deteriorating state and appears to have forgone updating for a considerable time.
  - There are several places where the parking surfaces are in a worse than deteriorated state based upon the photographs in the report.
- **Diversity of Ownership**
  - There are 12 different property owners within the study area.
  - The majority of the buildings owned by corporations, sit on top of ground owned by another party, typically, Conestoga Realty or Conestoga North.
- **Improper Subdivision or Obsolete Platting**
  - First and foremost are the private streets on the north side of the study area, Conestoga Drive and Overland Road.
  - The developed area in the northeast corner of the study area has been built out in a clustered manner, making traffic circulation difficult.
  - The positioning of lots along West State Street and North Webb Road have access drives in a manner that makes traffic control and congestion problematic.
- **Faulty Lot Layout**
  - The developed area in the northeast corner of the study area has been built out in a clustered manner, making traffic circulation difficult.
  - The positioning of lots along West State Street and North Webb Road have access drives in a manner making traffic control and congestion problematic.



- **Combination of factors which are impairing and/or arresting sound growth**
  - Functional Obsolescence is a contributing factor to sound growth
  - Retail markets of the 21<sup>st</sup> Century are impairing growth of the area
  - The buildup of the outlots of the mall area
- **Defective/Inadequate street layouts**
  - The layout of the primary and secondary thoroughfares on site are in conflict with key functional areas such as deliveries and loading docks
  - The two primary streets entering the mall property from the north are private streets
  - There are several points along the outer travel route that comes into conflict with secondary travel paths.

### **Criteria under Part B of the Blight Definition**

- **The average age of the residential or commercial units in the area is at least forty years**
  - 30 (78.9%) buildings or improvements were determined to be 40 years of age or older
  - 8 (21.1%) buildings or improvements were determined to be less than 40 years of age
  - The average age based upon a cumulative age calculation is 40.3 years.
  - 93.94% of the built square footage in the study area is 40 years of age or older.
- **Stable or decreasing population based upon the last two decennial census**
  - The study area has had a stable or decreasing population over the last two decennial census.

### **The other criteria for Blight were not present in the area, these included:**

- Insanitary and Unsafe Conditions
- Dangerous conditions to life or property due to fire or other causes
- 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.
- 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

### Average age is at least 40 years

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

**TABLE 2: AVERAGE STRUCTURAL AGE, BY METHOD - 2018**

| Owner                       | Year Built | Number of Structures | Age | Cumulative Age |
|-----------------------------|------------|----------------------|-----|----------------|
| Balznailstics               | 1960       | 1                    | 59  | 59             |
| Mehring                     | 1970       | 1                    | 49  | 108            |
| Norwest Bank                | 1974       | 1                    | 45  | 153            |
| Conestoga North             | 1974       | 3                    | 135 | 288            |
| Powhein LLC                 | 1974       | 1                    | 45  | 333            |
| Conestoga Realty            | 1975       | 11                   | 484 | 817            |
| Conestoga Realty            | 1975       | 2                    | 88  | 905            |
| Pathway Bancorp             | 1975       | 3                    | 132 | 1037           |
| Jomida Inc                  | 1975       | 2                    | 88  | 1125           |
| Conestoga Realty            | 1976       | 1                    | 43  | 1168           |
| Conestoga North             | 1976       | 1                    | 43  | 1211           |
| Conestoga North             | 1978       | 1                    | 41  | 1252           |
| Conestoga North             | 1978       | 1                    | 41  | 1293           |
| Runza Drive Inn             | 1979       | 1                    | 40  | 1333           |
| Conestoga Realty            | 1980       | 1                    | 39  | 1372           |
| Home Federal Savings & Loan | 1989       | 1                    | 30  | 1402           |
| Mehring                     | 1993       | 1                    | 26  | 1428           |
| General Mills Restaurants   | 1995       | 1                    | 24  | 1452           |
| Mehring                     | 1996       | 1                    | 23  | 1475           |
| Mehring                     | 1996       | 1                    | 23  | 1498           |
| Powhein LLC                 | 1998       | 1                    | 21  | 1519           |
| McDonalds                   | 2007       | 1                    | 12  | 1531           |
|                             |            |                      | 38  | 1531           |
| <b>Average Age</b>          |            |                      |     | <b>40.3</b>    |

Source: Hall County Assessor's and Marvin Planning Consultants 2018

Another method to analyze this area is using square footage. State statute discusses commercial units; in the commercial world, it is not about the building as much as it is about square footage. Therefore, this analysis is also examining the age of the built square footage. Based upon data from the Hall County Assessor's office, there is a total of 651,412 built square footage in the area. Of the 651,412 total square footage, 611,965 built square feet are 40 years or old, which is 93.94% of the total build out. Therefore, more than 50% of the square footage is 40 years of age or older.

The final means to examine the age of structures is the actual number of structures within the 40 years or more or less than 40 years categories. Overall, there are 38 structures within the study area, based upon the Hall County Assessor's data. After researching the structural age on the Hall County Assessor's and Treasurer's websites, the following breakdown was determined:

- 30 (78.9%) unit was determined to be 40 years of age or older
- 8 (21.1%) unit was determined to be less than 40 years of age

However, when examining the age based upon a cumulative approach, as in Table 2, the average age of the primary structures is equal to 40.3 years; thus, meeting the requirements of the statutes.

The age of the structures would be a direct 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 #28**

Blight Study Area #28 has several items contributing to the Blight and Substandard Conditions. These conditions include:

#### **Blighted Conditions under Part A**

- **Substantial number of deteriorating structures**
- **Deterioration of site or other improvements**
- **Diversity of Ownership**
- **Improper Subdivision or Obsolete Platting**
- **Faulty Lot Layout**
- **Combination of factors which are impairing and/or arresting sound growth**
- **Defective/Inadequate street layouts**

#### **Criteria under Part B of the Blight Definition**

- **The average age of the residential or commercial units in the area is at least forty years**
- **Stable or decreasing population based upon the last two decennial census**

#### **Substandard Conditions**

- **Average age of the structures in the area is at least forty years**