



City of Grand Island

Tuesday, November 8, 2022

Council Session

Item E-2

Public Hearing on Proposed Extremely Blighted Study located in the Northwest part of Grand Island between 13th Street and State Street and between Webb Road and Capital Avenue including Conestoga Mall and the Development to the North of the Mall (Woodsonia Acquisitions LLC)

Council action will take place under Resolutions item I-2.

Staff Contact: Chad Nabity

Council Agenda Memo

From: Regional Planning Commission
Meeting: November 8, 2022
Subject: Extremely Blighted Study
Presenter(s): Chad Nability, AICP

Background

Woodsonia Acquisitions LLC has commissioned a study to identify areas in the City of Grand Island that can qualify as Extremely Blighted per Nebraska Community Redevelopment Law. Marvin Planning Consultants and Kurt Elder, AICP have prepared a study that identifies those areas. The study is attached.

On September 13, 2022 Council referred the attached study to the Planning Commission for its review and recommendation. The study as prepared and submitted identifies areas within Grand Island that meet the qualifications to be declared extremely blighted. The full study is attached for your review and consideration.

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 or American Community Survey 5-Year Estimate 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;

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

Discussion

The Statutory authority and direction to the Council and Planning Commission is referenced below:

18-2101.02. Extremely blighted area; governing body; duties; review; public hearing; map.

(1) For any city that (a) intends to carry out a redevelopment project which will involve the construction of workforce housing in an extremely blighted area as authorized under subdivision (28)(g) of section 18-2103, (b) intends to declare an area as an extremely blighted area for purposes of funding decisions under subdivision (1)(b) of section 58-708, or (c) intends to declare an area as an extremely blighted area in order for individuals purchasing residences in such area to qualify for the income tax credit authorized in subsection (7) of section 77-2715.07, the governing body of such city shall first declare, by resolution adopted after the public hearings required under this section, such area to be an extremely blighted area.

(2) Prior to making such declaration, the governing body of the city shall conduct or cause to be conducted a study or an analysis on whether the area is extremely blighted and shall submit the question of whether such area is extremely blighted to the planning commission or board of the city for its review and recommendation. The planning commission or board shall hold a public hearing on the question after giving notice of the hearing as provided in section 18-2115.01. Such notice shall include a map of sufficient size to show the area to be declared extremely blighted or information on where to find such map and shall provide information on where to find copies of the study or analysis conducted pursuant to this subsection. The planning commission or board shall submit its written recommendations to the governing body of the city within thirty days after the public hearing.

(3) Upon receipt of the recommendations of the planning commission or board, or if no recommendations are received within thirty days after the public hearing required under subsection (2) of this section, the governing body shall hold a public hearing on the question of whether the area is extremely blighted after giving notice of the hearing as provided in section 18-2115.01. Such notice shall include a map of sufficient size to show the area to be declared extremely blighted or information on where to find such map and shall provide information on where to find copies of the study or analysis conducted pursuant to subsection (2) of this section. At the public hearing, all interested parties shall be afforded a reasonable opportunity to express their views respecting the proposed declaration. After such hearing, the governing body of the city may make its declaration.

(4) Copies of each study or analysis conducted pursuant to subsection (2) of this section shall be posted on the city's public web site or made available for public inspection at a location designated by the city.

(5) The study or analysis required under subsection (2) of this section may be conducted in conjunction with the study or analysis required under section 18-2109. The hearings required under this section may be held in conjunction with the hearings required under section 18-2109.

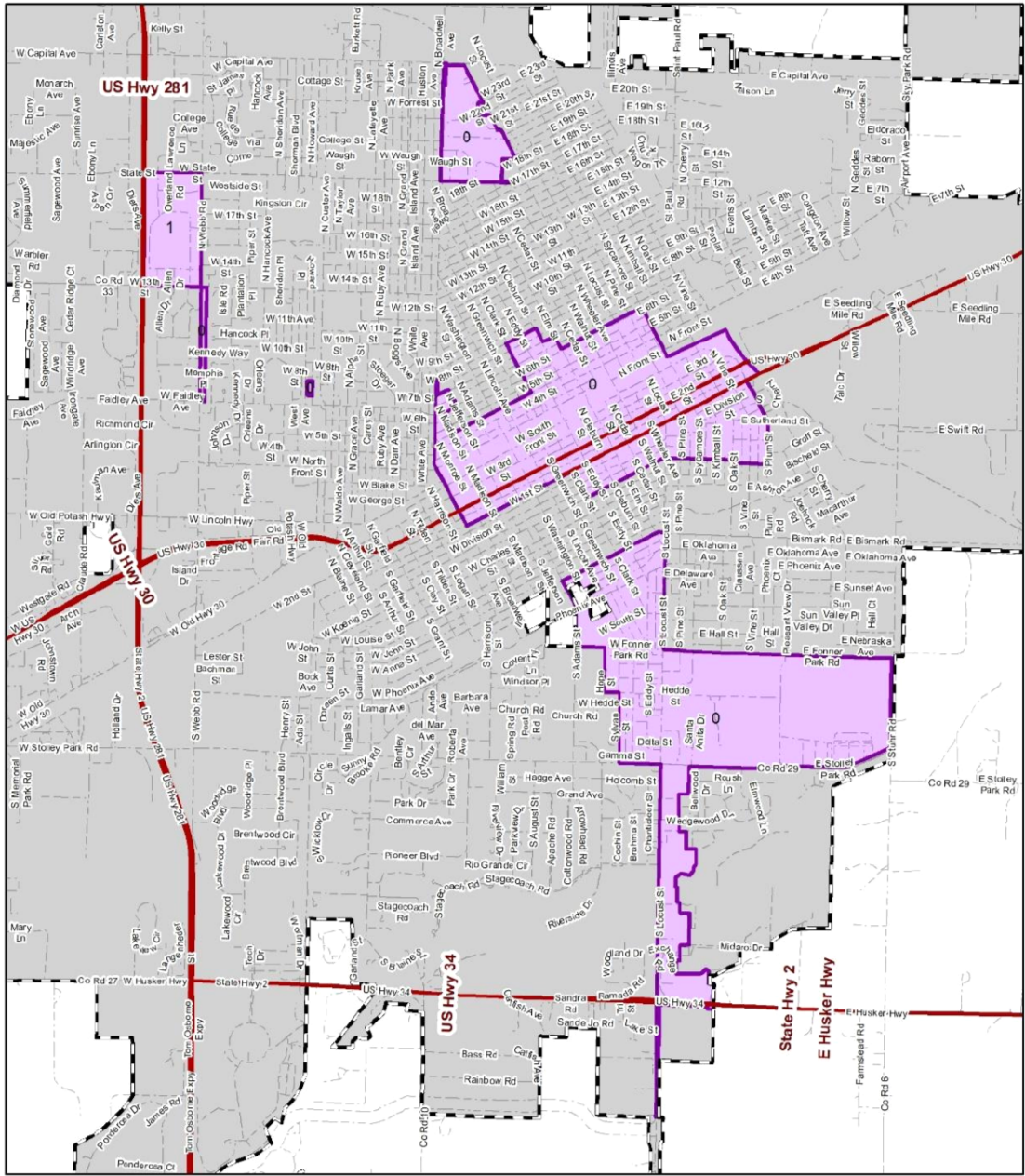
Designating an area as Extremely Blighted provides two potential benefits to redevelopment in the area and any residents in the area along with a benefit to the City.

1. The term of TIF bonds in Extremely Blighted areas is may be extended from 15 years to 20 years. This will provide additional capital to the project making it more likely to succeed and to be built out in a shorter time frame.
2. Provide an income tax credit of up to \$5000 to first time home buyers that purchase qualifying homes in areas that have been declared Extremely Blight as their primary residence prior to January 1, 2026. N.R.S.S. 77-2715.07
3. Remove those areas that are declared Extremely Blighted from the 35% cap on area that can be declared Blighted and Substandard N.R.S.S. 18-2103 (3)

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 September 6, 2022, 24.78% of the City has been declared blighted and substandard. Area 28 would add 78.45 acres to the total of blighted and substandard property and would, if approved, add 0.40% to the total area declared blighted and substandard bringing the total to 25.19%.

Any area that is declared extremely blighted is not counted against the 35% maximum area that can be declared blighted and substandard. If all of the areas identified in this study as qualifying as Extremely Blight are declared as such the possible 25.19% would be reduced to about 19%.

Areas that Qualify as Extremely Blighted



City of Grand Island: Proposed Extreme Blight Areas

-  City Limit
-  Proposed Extreme Blight Areas
-  Primary Roads



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
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.

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 Extremely Blighted and substandard? (See the prior statutory references.)
- Is public intervention appropriate and/or necessary for the redevelopment of the area?
- 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 Extremely Blighted Areas Study during its meeting on October 5, 2022.

O'Neill opened the public hearing for item number 7 and number 8 Extremely Blighted Study.

Nabity stated the study does show the property can be declared blighted and substandard. The study area is approximately 78.45 acres of property located between U.S Highway 281 and Webb Road and 13th Streets including the Conestoga Mall. Nabity also mentioned the Woodsonia, an Omaha based real estate company, has the Conestoga Mall property under contract. The project is

based on complying with some components which includes getting declared blighted and substandard and approved for tax increment financing.

Planning Commission staff recommends approval.

Nabity stated the Extremely Blighted Study is a designation that was put into place by the Legislature about 4 years ago. For an area to be designated as extremely blighted and substandard 1- area had to have been declared blighted and substandard 2) an unemployment rate twice the state's unemployment rate based on US Census data and 3) a poverty rate of 20 percent or more

Designating an area as Extremely Blighted provides two potential benefits to redevelopment in the area and any residents in the area along with a benefit to the City.

1. The term of TIF bonds in Extremely Blighted areas may extended from 15 years to 20 years.
2. First time home buyers that purchase qualifying homes in areas that have been declared Extremely Blighted as their primary residence prior to January 1, 2026 will receive an income tax credit of up to \$5000.
3. Remove those areas that are declared Extremely Blighted from 35% cap on area that can be declared Blighted and Substandard

Keith Marvin – Marvin Planning Consultants –

Drew Snyder – 20010 Manderson Street ,Omaha, NE – Mr. Snyder with Woodsonia Real Estate – went over the project and was available for questions.

O'Neill closed the public hearing.

A motion was made by Robb and second by Randone to approve the Substandard and Blight Study for CRA Area No. 28 and Resolution 2023-03 and Extremely Blighted Study and Resolution 2023-04.

The motion was carried with nine members voting in favor (Allan, Nelson, Ruge, Olson, Robb, Monter, Rainforth, Rubio, and Randone) and one member abstaining (O'Neill) and no members voting no (Hendricksen and Doane were absent).

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 these areas as extremely blighted a motion should be made to approve the Extremely Blighted Study 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.



**EXTREMELY BLIGHTED DETERMINATION STUDY
CITY OF GRAND ISLAND, NEBRASKA
AUGUST 2022**

A study to determine if areas already declared Blighted and Substandard meet the Legislative requirements to be declared extremely blighted for purposes of receiving potential funding, extended TIF periods and tax credits.

Prepared by Marvin Planning Consultants, Inc and Kurt Elder, AICP
AUGUST 2022

BLIGHT and EXTREMELY BLIGHTED AREA STUDY

REF: Statute 18-2101 to 18-2154 and section of the act, aka Community Development Law

REASONS FOR COMPLETING AN EXTREMELY BLIGHTED STUDY

Section 2: (1) For any city that (a) intends to carry out a redevelopment project which will involve the construction of workforce housing in an extremely blighted area as authorized under subdivision (28)(g) of section 18-2103, (b) intends to declare an area as an extremely blighted area for purposes of funding decisions under subdivision (1)(b) of section 58-708, or (c) intends to declare an area as an extremely blighted area in order for individuals purchasing residences in such area to qualify for the income tax credit authorized in subsection (7) of section 77-2715.07, **the governing body of such city shall first declare, by resolution adopted after the public hearings required under this section, such area to be an extremely blighted area.**

LEGISLATIVE DIRECTION

Section 2: (2) Prior to making such declaration, the governing body of **the city shall conduct or cause to be conducted a study or an analysis** on whether the area is extremely blighted and shall submit the question of whether such area is extremely blighted to the planning commission or board of the city for its review and recommendation. (...) The planning commission or board shall submit its written recommendations to the governing body of the city within thirty days after the public hearing.

PROCESS

Brief: For an area to be designated as extremely blighted and substandard two finding, through three facets, need to be meet. These facets are defined in Nebraska statute. (i.e. 18-2103 – Terms, ...) However, for brevity they are simplified into two broad components **(a)** areas that have been found blighted and substandard through city council action, and **(b)** have been found to be contain extremely blighted components.

This study primarily determines which areas meet the statutory definition of extremely blighted

An approved blighted and substandard area is also extremely blighted if **(i) the average rate** of unemployment in the area during the period covered by the most recent federal decennial census or American Community Survey 5-Year Estimate is at **least two hundred percent of the average rate of unemployment in the state** during the same period; and **(ii) 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**

Because Grand Island's approved blight areas do not conform to defined census geographies. This study honors the intention of the statute and completes an independent analysis of poverty and unemployment components. Census areas that are qualified in each study form the basis for determining extreme blight. To be clear if 'Geography A' was qualified in both studies then any declared blight in 'Geography A' could be nominated as extremely blighted.

Lastly, if a census geography or portion of is in the City of Grand Island corporate limits it was considered in the development of the separate components.

DATA TABLES

Council Approved Blight -

The Community development law requires that an Extremely Blighted and Substandard area be an approved blighted area. The City of Grand Island keeps a list of approved blight areas in their offices and online at <https://www.grand-island.com/departments/regional-planning/community-redevelopment-authority-cra/blight->

[study-areas](#). Also, attached is 'Proposed Blight Area' and 'Proposed Extreme Blight Area' which details a blighted area. Both blight and extreme blight can share common public hearings.

Extremely Blighted Components -

Part (i) is a state comparison. The 2020 Nebraska Unemployment rate according to the US Census American Community Survey (five-year average) was 3.37%. Therefore, the average rate of our selected area would require an unemployment rate of at least 6.74%

Marvin Planning Consultants, Inc. and Kurt Elder (The Team) developed an area with an average unemployment greater than of 7.52%. An area average is determined by using the sum of estimated factors and NOT the average of each piece. Attached is 'Unemployment Area', which details our proposed unemployment area.

Part (ii) is a local area finding. Grand Island's 2020 poverty rate was 11.83% but in line with state statute, we developed an area with greater than 20% poverty. An area average is determined by using the sum of estimated factors and NOT the average of each piece. Attached is 'Poverty Review', which details our proposed poverty area.

All data was 2020 US Census American Community 5-year Survey data. We choose to utilize only block-group level information from the census to minimize independent margins of error. Furthermore, our data methodology and averaging process/interpretation received support from UNO's David Drozd Research Coordinator at the UNO Center for Public Affairs and notified Sen. Justin Wayne (i.e., Nebraska Legislature, Chair of the Urban Affairs Committee) office to confirm his support. His legislative assistant relayed support.

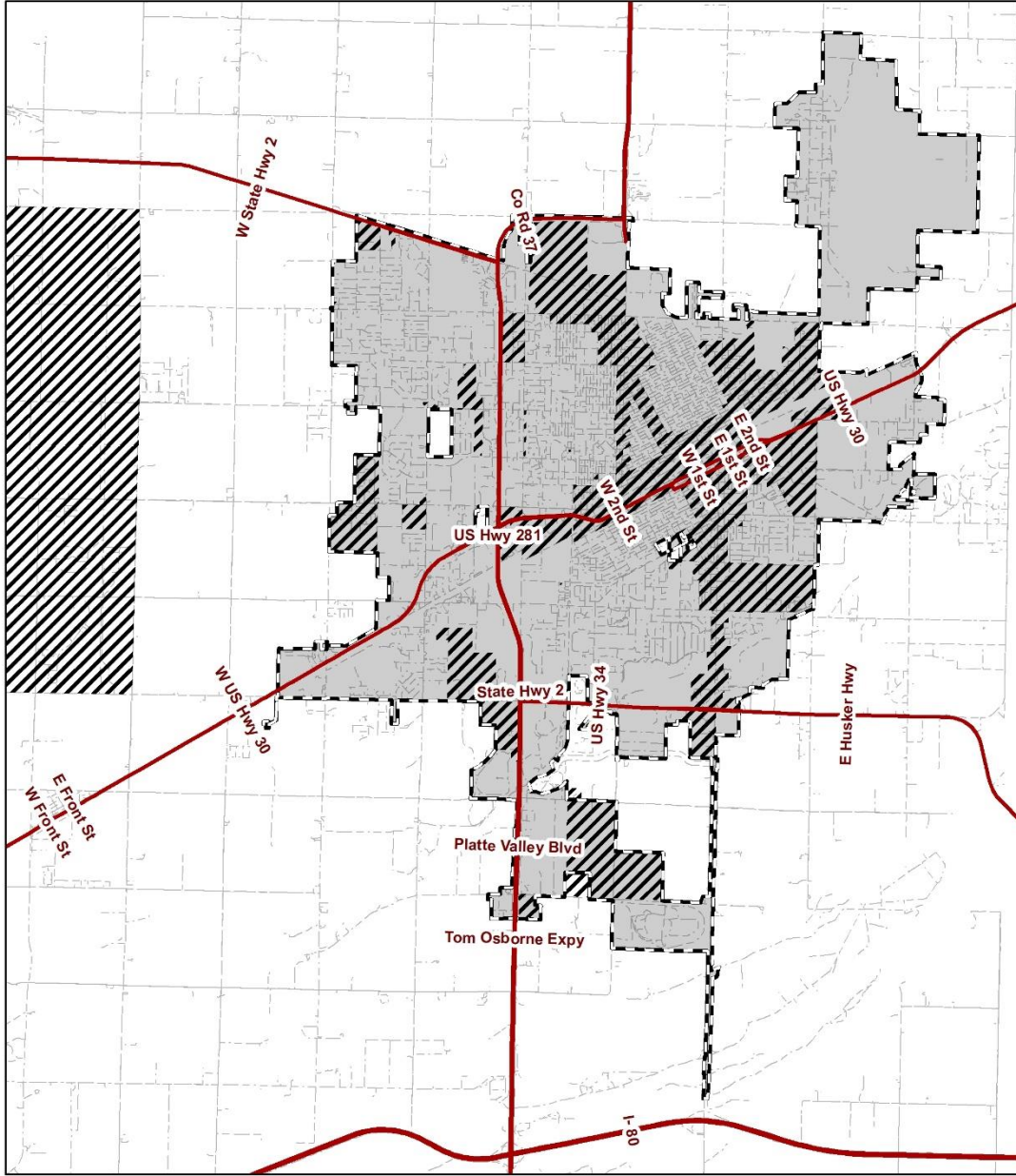
ANALYSIS

The Team overlaid these three facets/area reviews (i.e., approved blight, 20%+ poverty, 200%+ of the Nebraska's unemployment rate, and delineated areas where the three intersected. This proposed extremely blighted area is attached as 'Proposed Extreme Blight Area'.

Study completed, compiled, and submitted by The Team

ATTACHMENTS

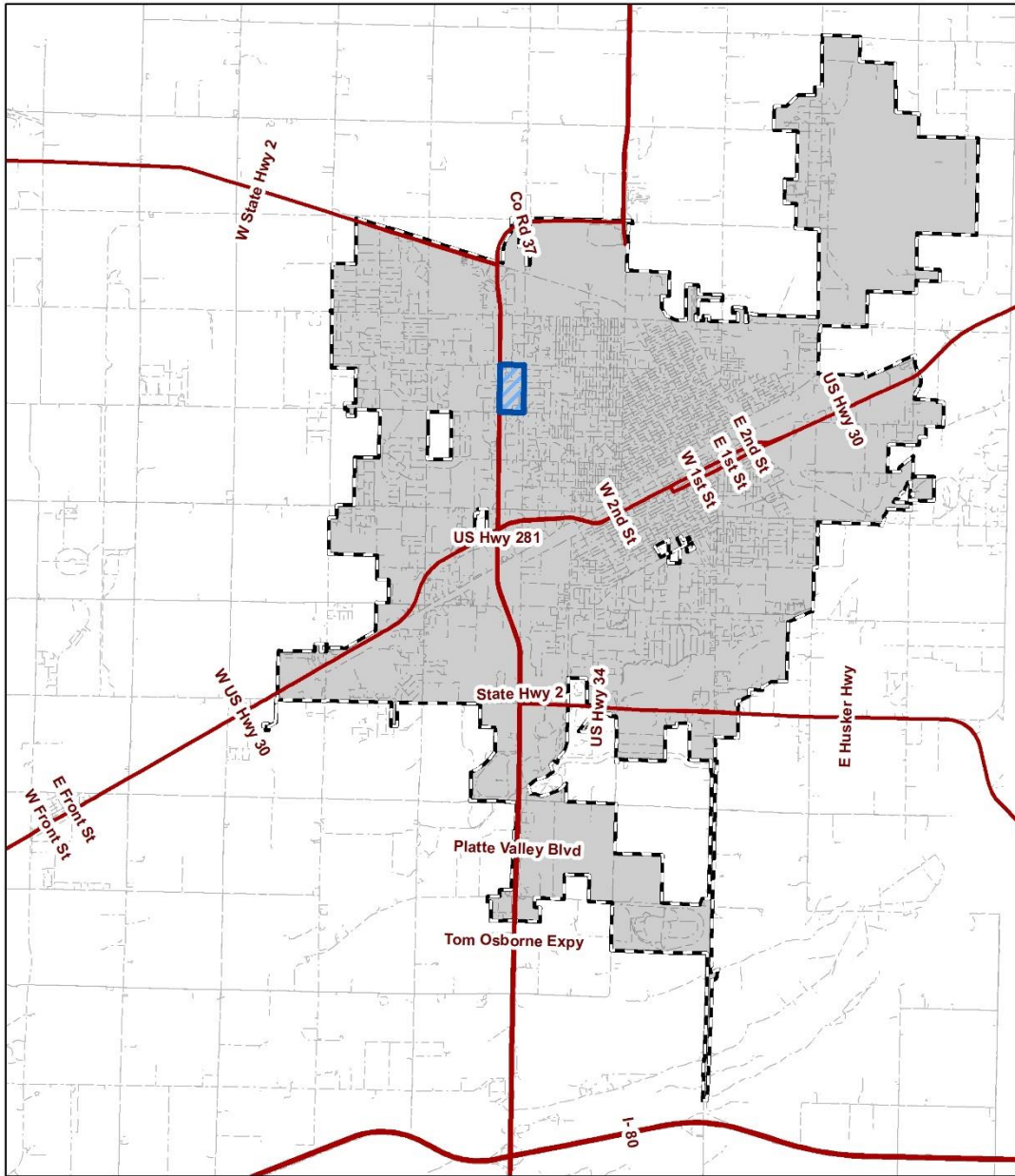
- 'Existing Blight Area'
- 'Proposed Blight Area'
- 'Proposed Blight Area - Detail'
- 'Employment Review'
- 'Poverty Review'
- 'Proposed Extreme Blight Area'



City of Grand Island: Existing Blight Areas

- City Limit
- Declared/Existing Blighted
- Primary Roads

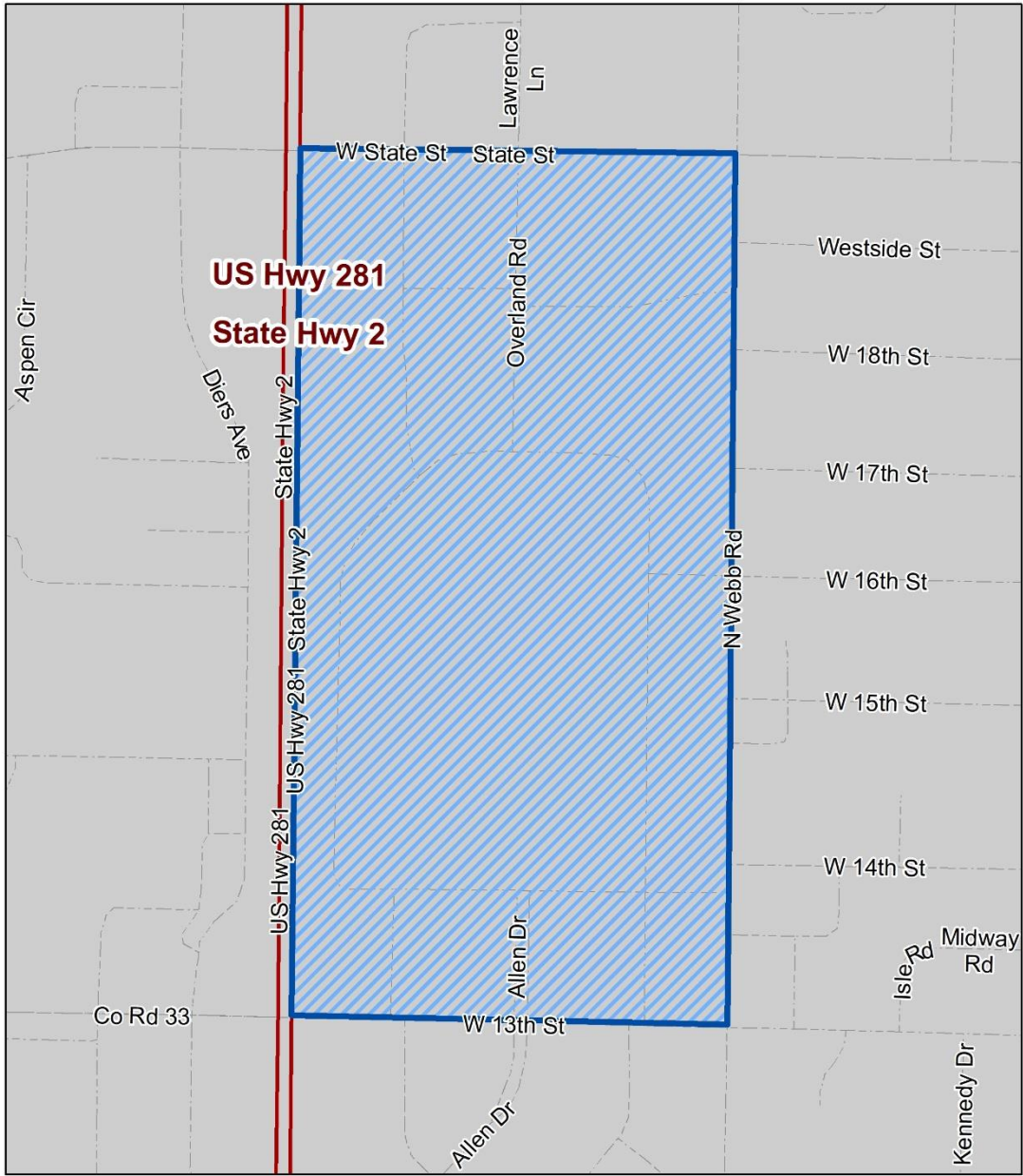




City of Grand Island: Proposed Blight Area

-  City Limit
-  Proposed Blight
-  Primary Roads

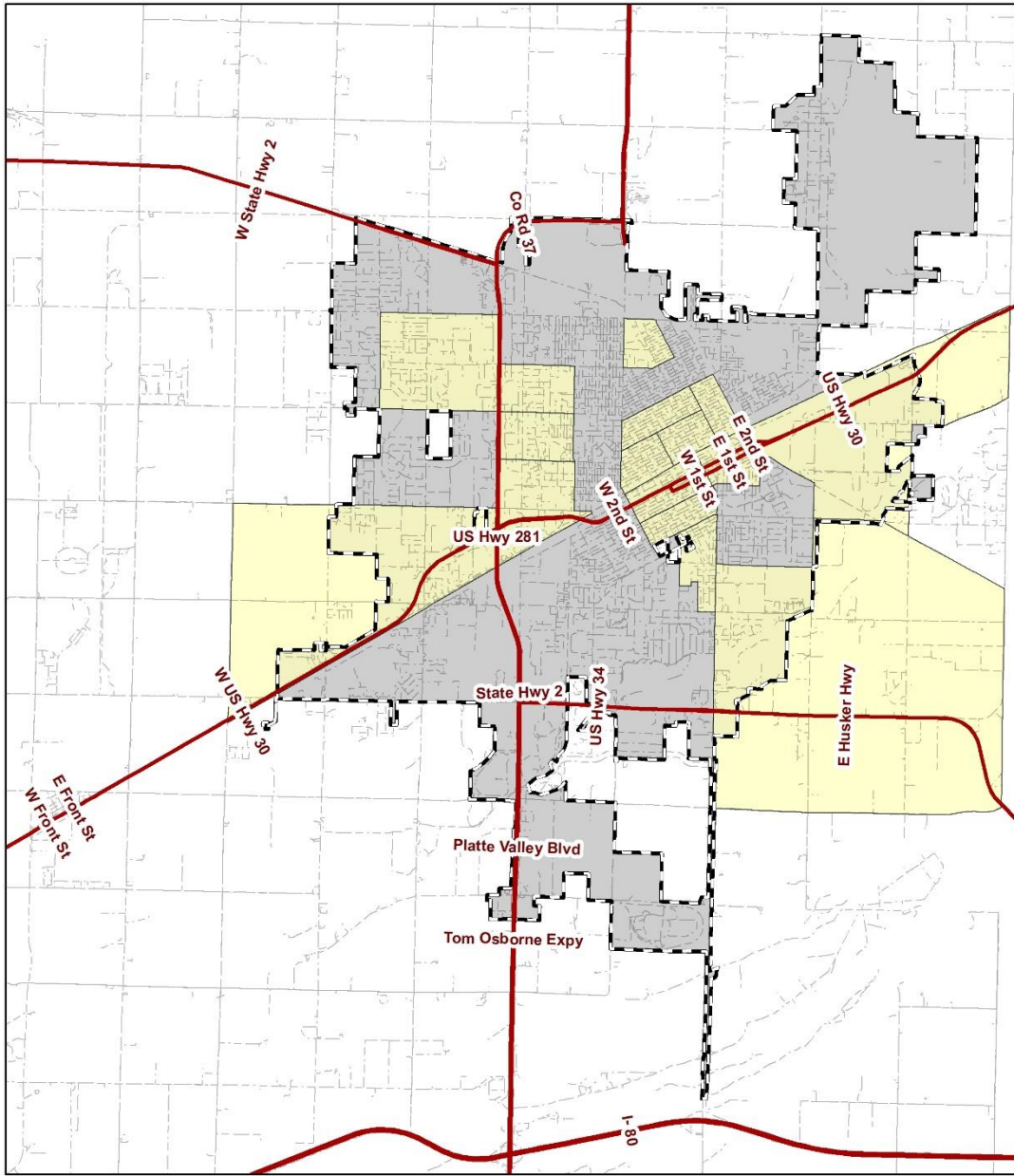




City of Grand Island: Proposed Extreme Blight Areas - Detail

-  City Limit
-  Proposed Blight
-  Primary Roads

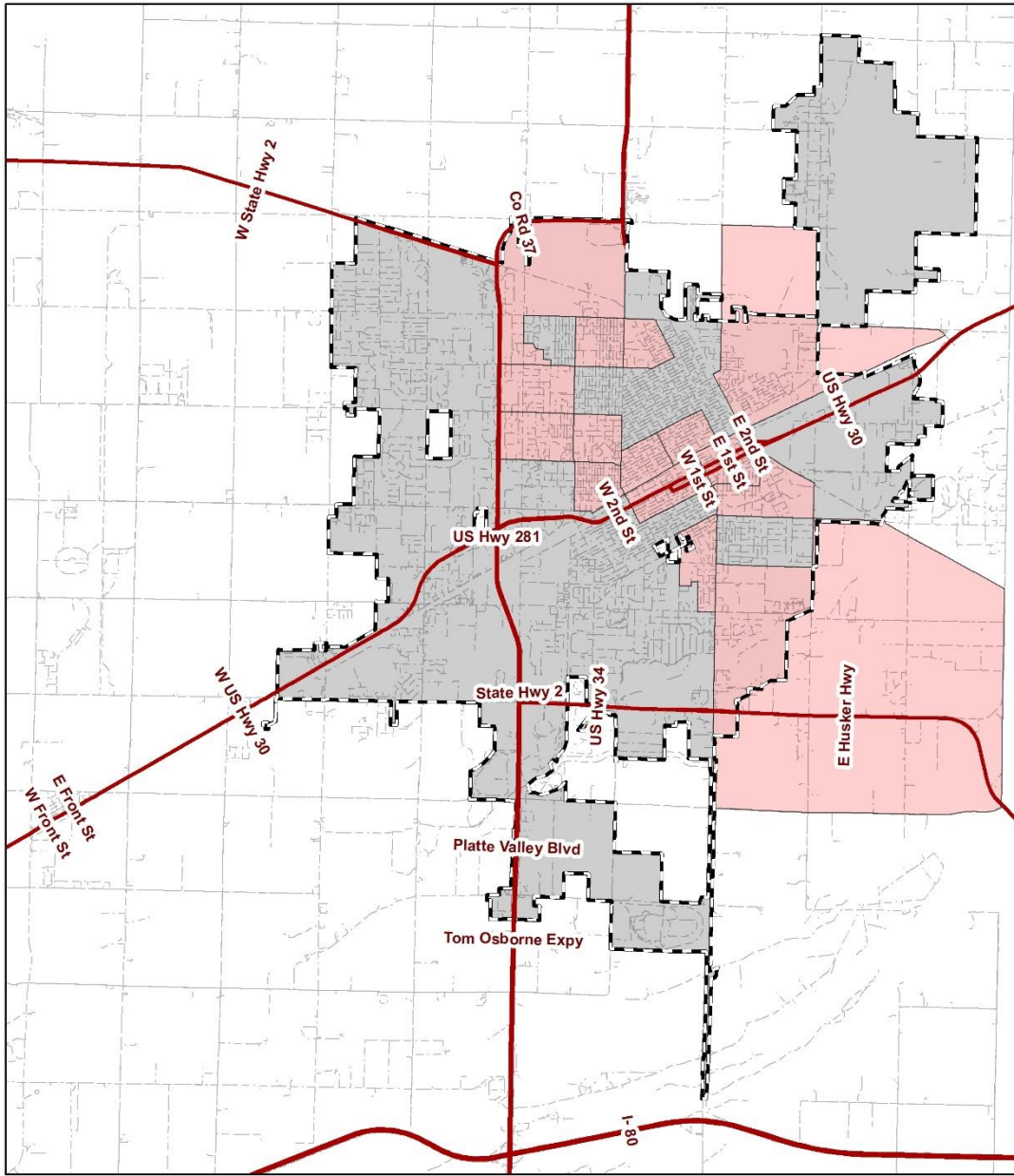




City of Grand Island: Employment Review

- City Limit
- Avg Unemployment > NEBR Unemployment Rate Threshold 6.74% (2020 ACS)
- Primary Roads

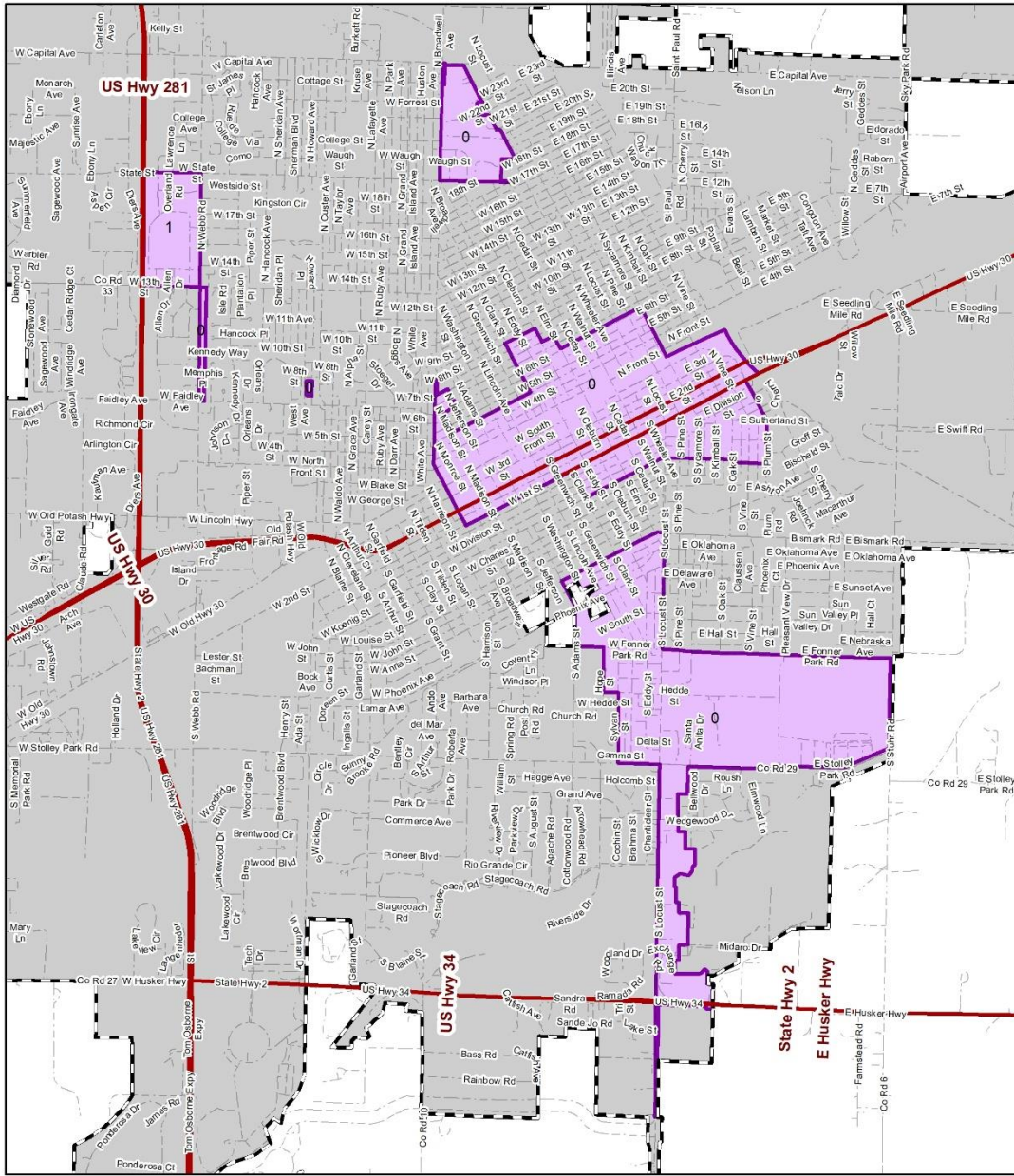




City of Grand Island: Poverty Review

- City Limit
- Avg Poverty >20% (2020 ACS)
- Primary Roads

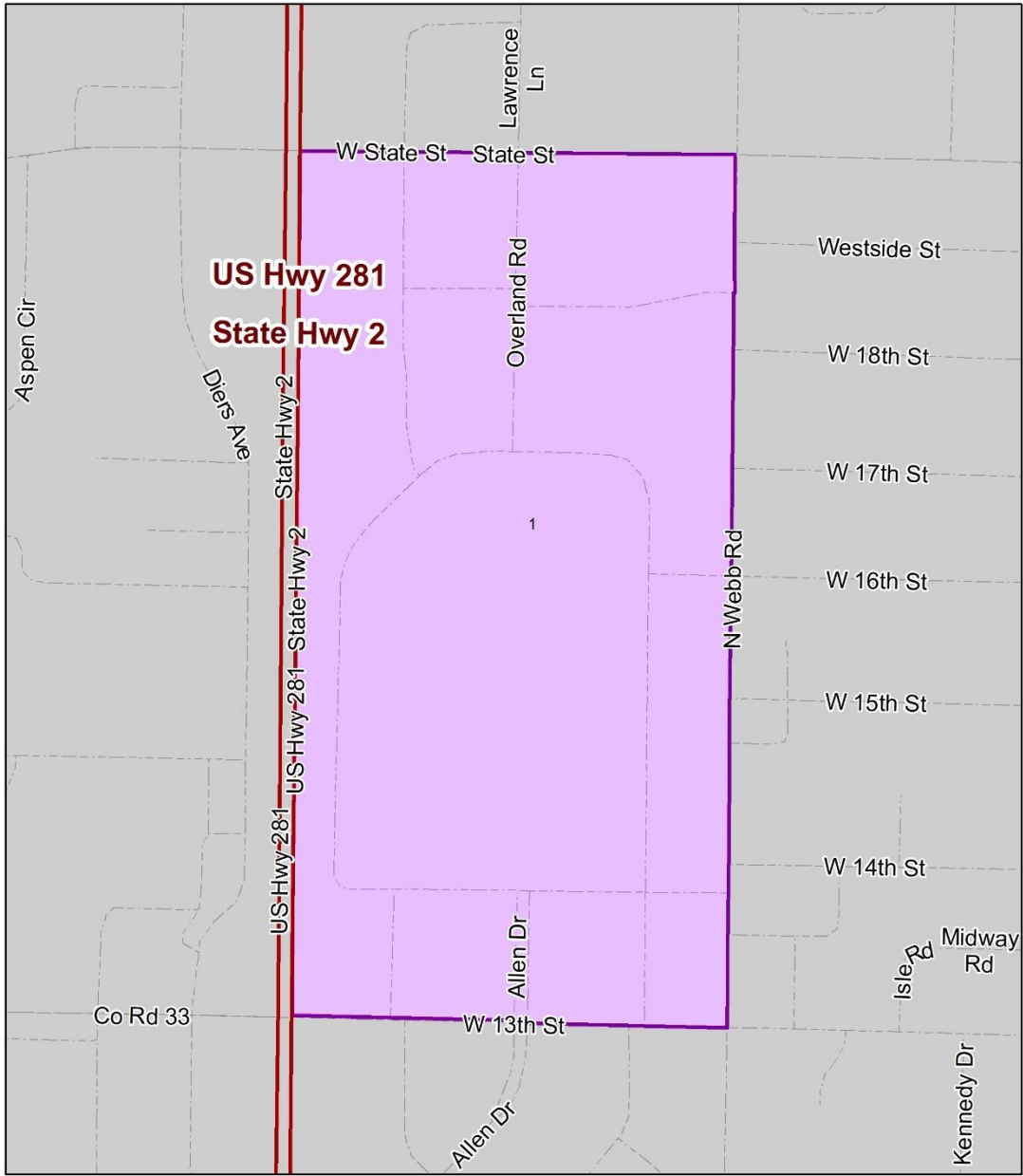




City of Grand Island: Proposed Extreme Blight Areas

-  City Limit
-  Proposed Extreme Blight Areas
-  Primary Roads





City of Grand Island: Proposed Extreme Blight Area

-  City Limit
-  Proposed Extreme Blight Areas
-  Primary Roads



Resolution Number 2023-04

HALL COUNTY REGIONAL PLANNING COMMISSION

A RESOLUTION RECOMMENDING APPROVAL OF AN EXTREMELY BLIGHTED TO THE CITY OF GRAND ISLAND, NEBRASKA; AND APPROVAL OF RELATED ACTIONS

WHEREAS, the Grand Island City Council at its August September 12, 2022 meeting, referred a study identifying areas within the City of Grand Island that can be declared Extremely Blighted, commissioned by Woodsonia Acquisitions, LLC 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"); and

WHEREAS, the Commission held a public hearing regarding said Study at their meeting on October 5, 2022, and:

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

- This property as presented in the study meets the requirements to be declared extremely blighted including:
 - Identified properties have been declared blighted and substandard or will be prior to adoption of this study,
 - Identified properties have an average rate of unemployment rate of at least two hundred percent of the average rate of unemployment base on U.S. Census data
 - Identified properties have an average poverty rate of more at least 20% based on U.S. Census data
- That development of this property to its full potential is in the best interest of the City of Grand Island and the entire region,

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

Section 1. The Commission hereby recommends approval of the 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: October 5, 2022

HALL COUNTY REGIONAL PLANNING COMMISSION

ATTEST:

By: 
Chair

By: 
Secretary

Secretary