



# **City of Grand Island**

**Tuesday, August 27, 2013**

**Council Session**

## **Item H-1**

**Consideration of Forwarding Blighted and Substandard Area#14  
Study to the Hall County Regional Planning Commission**

**Staff Contact: Chad Nabity**

# **Council Agenda Memo**

**From:** Chad Nabity, AICP

**Meeting:** August 27, 2013

**Subject:** Proposed Blighted and Substandard Area #14

**Item #'s:** H-1

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

## **Background**

Enclosed you will find a copy of a Substandard and Blight Study as prepared for Scott Rief by Marvin Planning Consultants. This study is for approximately 6.82 acres of property in north central Grand Island between 13<sup>th</sup> Street and Faidley Avenue east of Webb Road. The study as prepared and submitted indicates that this property could be considered substandard and blighted. The full study is attached for your review and consideration.

Mr. Rief has submitted this study for the review and consideration of the Grand Island City Council as permitted by Nebraska law. This is a micro-blight study for a small area that Mr. Rief intends to redevelop if the area can be declared blighted and substandard. The decision on whether to declare an area substandard and blighted 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 their review and feedback. If the item is not sent to the Planning Commission the Council cannot declare the area substandard and blighted. Planning Commission will meet on October 2 and would have a recommendation ready for the last Council meeting in October.

Once an area has been declared substandard and blighted 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 Mr. Rief does intend to submit an application for TIF to assist in the redevelopment of property immediately north of his Chiropractic office.

## Discussion

The action item tonight relate to the Study for proposed CRA Area No. 14 in north central Grand Island as shown below. The study was prepared for 6.82 acres, of all of which are in the Grand Island City Limits

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



Robert Sivick, City Attorney 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 statutory procedures for accomplishing blight relief include the following steps: (1) the identification of a community redevelopment area consisting of portions of a city declared to be substandard or blighted in accordance with statutory definitions and in need of redevelopment, (2) the formulation of a redevelopment plan for such area or a redevelopment project within such area, and (3) the implementation of the redevelopment plan through various means including acquisition, sale, leasing, and contracting for redevelopment. Nebraska Revised State Statutes (NRSS) 18-2103, 18-2107, and 18-2109.

Under this statutory scheme, the governing body 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 enterprise. 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. See *Monarch Chemical Works, Inc. v. City of Omaha*, 203 Neb. 33, 277 N.W.2d 423 (1979), *Fitzke v. Hastings*, 255 NEB 46 (1998)

At this point, Council is only considering point 1 of Mr. Sivick's opinion. According to NRSS §18-2109, it is clear that the Planning Commission must 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 blighted, State Statute requires that the question of whether an area is substandard and blighted is submitted to the Planning Commission for its review and recommendation.

The Planning Commission recommendation should be done at the first available opportunity, as the Planning Commission has 30 days to respond to Council's request for a 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 August 19, 2013,



18.20% of the City has been declared blighted and substandard. This micro blight area (Area 14) would add another 0.04%. If Area14 were to be declared substandard and blighted by the Council 18.24% of the community would bear that designation.

It does not appear that the declaration of Area 14 would significantly impact the City's ability to declare other areas substandard and blighted.

### **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 their recommendation.
2. Move to not forward the Study to the Planning Commission for their 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 adopt resolution to forward the Study to the Planning Commission for their review and recommendation.



**City of Grand Island, NE**  
**Blight and Substandard Study**  
**Area #14**  
**July 2013**





**PURPOSE OF THE BLIGHT AND SUBSTANDARD STUDY**

The purpose of completing this Blight and Substandard study is to examine existing conditions within the city of Grand Island. This study has been commissioned by an individual property owner within the community with the hope that the City will consider the study area for future redevelopment activity. The area is bordered on all three sides by major transportation routes and the general area of the community has seen considerable new development on the western perimeter of the area but limited redevelopment activities.

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 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;"*

This Blight and Substandard Study is intended to give the Grand Island Community Redevelopment Authority and Grand Island City Council the basis for identifying and declaring Blighted and Substandard conditions existing within the City's jurisdiction. Through this process, the City and property owner 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. The Redevelopment Plan portion of this report 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 include commercial, commercial/office and single-family dwellings.

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

POINT OF BEGINNING IS THE INTERSECTION OF THE CENTERLINES OF N. WEBB ROAD AND W. 13<sup>TH</sup> STREET; THENCE EASTERLY ALONG SAID CENTERLINE OF W. 13<sup>TH</sup> STREET TO THE EXTENDED EAST SECTION LINE OF SECTION 17, TWP 11N, RANGE 9W; THENCE SOUTHERLY ALONG SAID EASTERN SECTION LINE TO THE INTERSECTION OF SAID EASTERN SECTION LINE EXTENDED AND THE CENTERLINE OF W. FAIDLEY AVENUE; THENCE, WESTERLY ALONG SAID CENTERLINE OF W. FAIDLEY AVENUE TO THE INTERSECTION OF THE CENTERLINE OF W. FAIDLEY AVENUE AND THE CENTERLINE OF N. WEBB ROAD; THENCE NORTHERLY ALONG THE CENTERLINE OF N. WEBB ROAD TO THE POINT OF BEGINNING.

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



Source: Olsson Associates 2013



## 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 that either benefit or detract 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 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 predominately residential uses with 39.9% of land in this use. The remaining 60.1% is either Commercial/office or vacant, public right-of-way and streets.

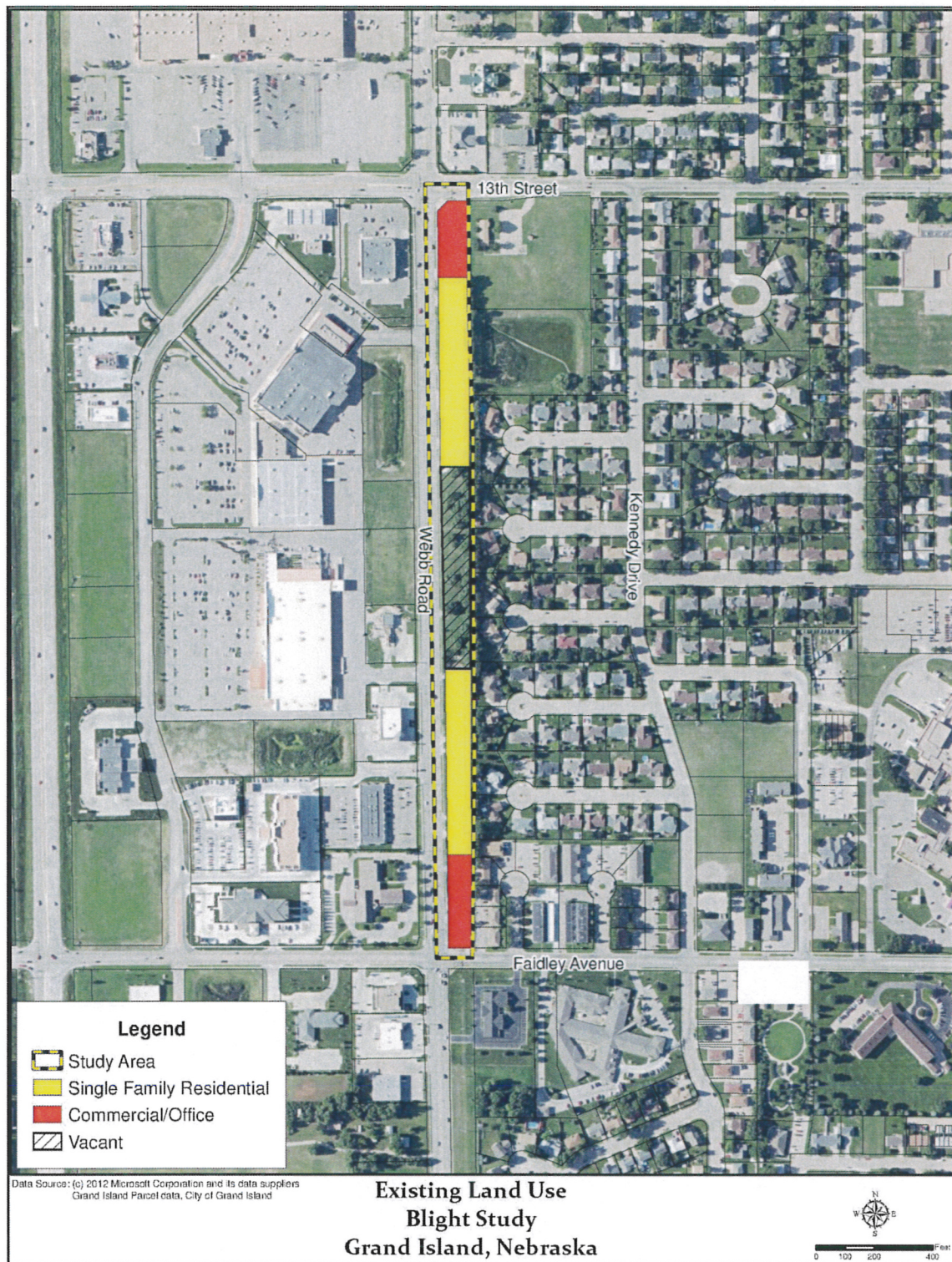
**TABLE 1: EXISTING LAND USE, GRAND ISLAND - 2013**

Type of Use	Acres	Percent of Developed land within the Study Area	Percent of Study Area
Residential	2.72	39.9%	39.9%
Single-family	2.72	39.9%	39.9%
Multi-family	0	0.0%	0.0%
Manufactured Housing	0	0.0%	0.0%
Commercial	1.2	17.6%	17.6%
Industrial	0.00	0.0%	0.0%
Quasi-Public/Public	0	0.0%	0.0%
Parks/Recreation	0	0.0%	0.0%
Transportation	2.9	42.5%	42.5%
Total Developed Land	6.82	100.0%	
Vacant/Agriculture	0		0.0%
<b>Total Area</b>	<b>6.82</b>		<b>100.0%</b>

Source: 2013 Grand Island Blight Study Area 14, Marvin Planning Consultants and Olsson Associates



**Figure 2**  
**Existing Land Use Map**



Source: Marvin Planning Consultants and Olsson Associates, 2013



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

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

### **CONTRIBUTING FACTORS**

There are a number of conditions that were 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 present, other are not.

#### **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 that are 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 that 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 eight structures. After researching the structural age on the Hall County Assessor's and Treasurer's websites, the following breakdown was determined:

- Six (75.0%) units were determined to be 40 years of age or older
- The remaining two structures were newer than 40 years.

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

#### **Sidewalk Conditions**

The sidewalk conditions were analyzed in the Study Area. The sidewalks were rated on four categories; adequate, deteriorating, dilapidating, and missing completely.

Within the study area there is approximately 2,485 lineal feet of sidewalk. After reviewing the conditions in the field, the following is how the sidewalk conditions breakdown within the study area:

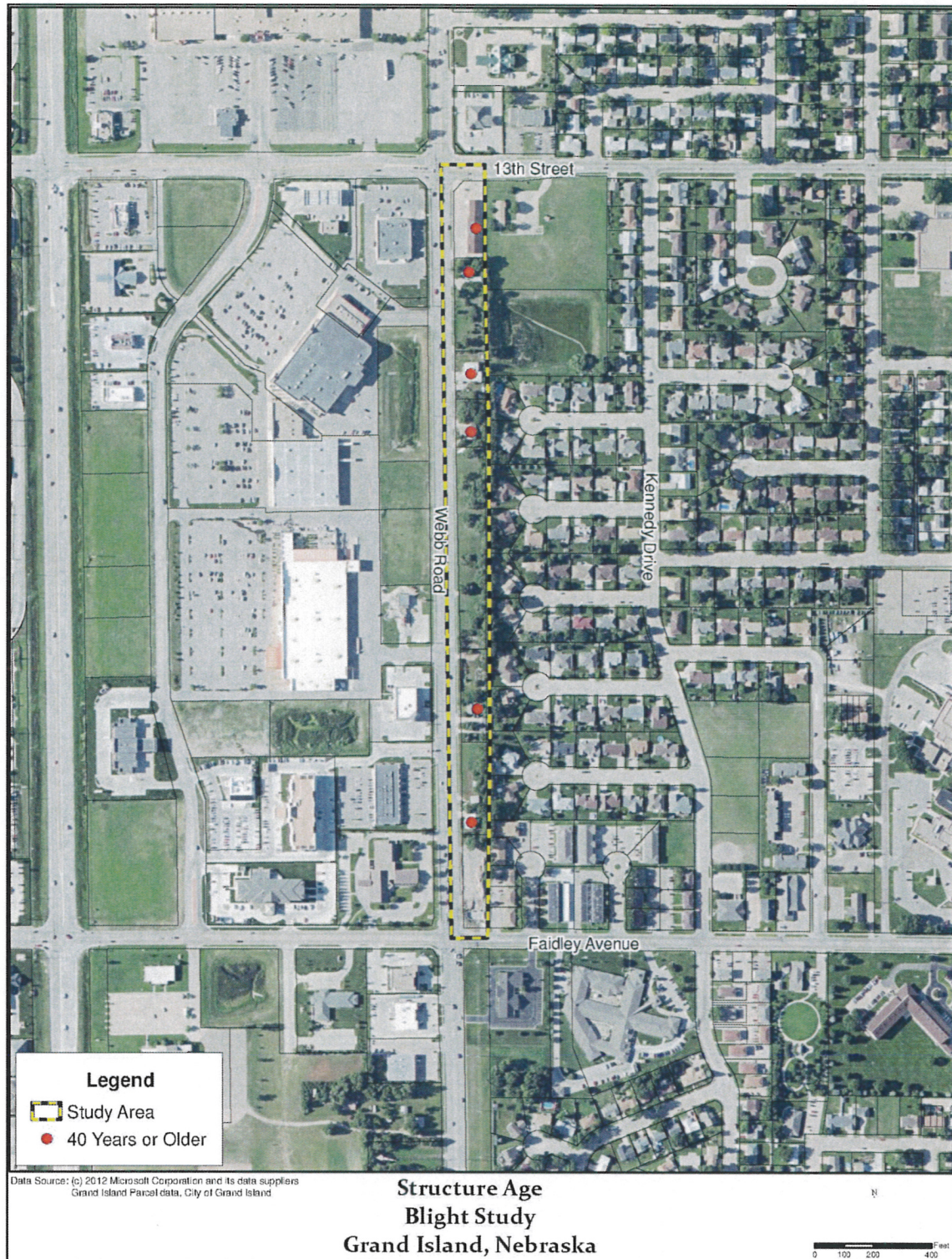
- 243 (9.8%) lineal feet of adequate sidewalk
- 2,242 (90.2%) lineal feet of deteriorating sidewalk
- 0 (0.00%) lineal feet of no sidewalk.
- There was no sidewalk deemed to be dilapidated.

Overall, over 90% of the sidewalks are in a deteriorating state. See Figure 4 for the locations of these sidewalks.

Due to the large amount of deteriorating sidewalk, the sidewalk conditions would be a direct contributing factor.



**Figure 3**  
**Unit Age Map**



Source: Marvin Planning Consultants and Olsson Associates, 2013



**Deterioration of site or other improvements**

Throughout this Area, there is a large portion of sidewalk that is deteriorating. This is a major consideration in determining if the area has deteriorated sites or improvements.

Based upon the field analysis, there are sufficient elements present to meet the definition of deterioration of site and other improvements in the Study Area.

**Dangerous conditions to life or property due to fire or other causes**

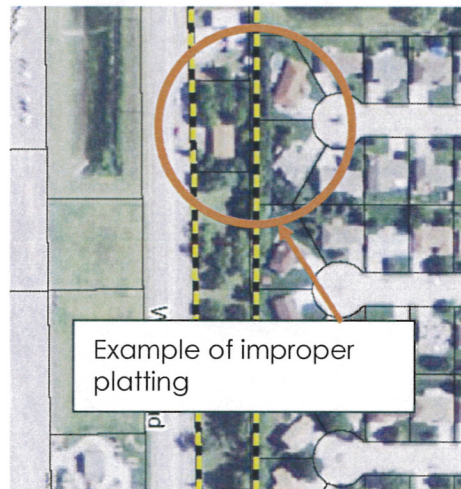
Located within the study area there are a couple of lots that contain a considerable amount of older materials scattered throughout the property. Plus, one vacant lot has brush and debris located throughout the property. Both of these situation are creating conditions that are dangerous to life and/or property.



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

**Improper Platting or Obsolete Platting**

The majority of this area was part of rural Grand Island early in its existence. It appears that this was a leftover piece/inaccessible property from a purchasing prospect when the residential subdivision to the east was platted. When these parcels were platted to current sizes and configurations, most lots have a depth of 100 feet (outlots to the west of N. Webb Road are approximately 170 feet in depth). When front yard and rear yard setbacks are applied to these lots it will be difficult to construct any new significant commercial or commercial/office facilities.



These properties, considering they abut residential development of the east and N. Webb Road on the west, will need to be redeveloped in a more creative manner in order to insure adequate screening, access, and on-site movement for any planned commercial or commercial/office use.

Finally, this study is part of a fractional section that runs north and south throughout this part of Grand Island and Hall County.

Based upon the review of the plat of the area, there are sufficient elements present to meet the definition of improper platting or obsolete platting within the Study Area.

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

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

- Proximity to N. Webb Road and the traffic speeds makes these properties difficult to redevelop individually
- The fact that these lots lie within a truncated/correction section that is approximately 100 feet wide instead of the usual one-mile section.
- Proximity of residential development to the east.
- The lack of traffic access and connectivity to the area east of the study area.
- The inadequate depth of the lots in the study area and the inability for creating larger lots.



- The inability to create a frontage road along N. Webb Road creates future impacts on ingress and egress from the study area.

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

#### **Diversity of ownership**

The eight properties within this study area have six different owners. When the need to redevelop a unique area such as this, it becomes necessary to have as much property under one ownership as possible. The more diverse ownership is, the piecemealed the redevelopment will end up. Future redevelopment of the properties within this area require it be done in concert with one and other.

Based upon the review of the area, there are sufficient elements present to meet the definition of diversity of ownership within the Study Area.

#### **Stable or decreasing population based on the last two decennial censuses**

This area as it has been evolving from a more rural residential land use to more of a commercial or commercial/office land use home have been removed and populations have been declining. Currently there is one larger lot that is indicated on the Assessor's web site that it once contained a residential structure.

The decrease in residential structures, the trend of smaller families, and the increasing amount of commercial and/or commercial office within the general vicinity the population of the study area has been stable or decreasing over the past two decennial censuses.

### **Blighting Summary**

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

- **Deterioration of site or other improvements**
  - 90.2% of sidewalk either in a deteriorated state or missing from properties in the area.
- **Dangerous conditions to life or property due to fire or other causes**
  - The amount of clutter/junk present as well as the amount of damaged shrubs and trees provides dangerous conditions.
- **Average age of structures is over 40 years of age**
  - Within the Study Area 75.00% of the structures meet the criteria of 40 years of age or older.
- **Improper Subdivision or obsolete platting**
- **Combination of factors which are impairing and/or arresting sound growth**
  - Proximity to N. Webb Road and the traffic speeds makes these properties difficult to redevelop individually
  - The fact that these lots lie within a truncated/correction section that is approximately 100 feet wide instead of the usual one-mile section.
  - Proximity of residential development to the east.
  - The lack of traffic access and connectivity to the area east of the study area.
  - The inadequate depth of the lots in the study area and the inability for creating larger lots.
  - The inability to create a frontage road along N. Webb Road creates future impacts on ingress and egress from the study area.
- **Diversity of Ownership**
  - Within the Study Area eight properties are owned by six different property owners.

- **Stable or decreasing population based on the last two decennial censuses**
  - This area as it has been evolving from a more rural residential land use to more of a commercial or commercial/office land use home have been removed and populations have been declining.

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

- Substantial number of deteriorated or deteriorating structure
- Defective/Inadequate street layouts,
- Faulty lot layout,
- Unsanitary/Unsafe conditions
- Tax or special assessment delinquency exceeding fair value of the land.
- Defective or unusual condition of title,
- Economic or social liability detrimental to health, safety and welfare,
- 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.
- The area has had either stable or decreasing population based on the last two decennial censuses.

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



**Figure 4**  
**Sidewalk Conditions**



Source: Marvin Planning Consultants and Olsson Associates, 2013



## **Substandard Conditions**

### **Average age of the residential or commercial units in the area is at least forty years**

Age of structures 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 that 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 eight structures. After researching the structural age on the Hall County Assessor's and Treasurer's websites, the following breakdown was determined:

- 2 (25.00%) units were determined to be less than 40 years of age
- 6 (75.00%) units were determined to be 40 years of age or older

There is a predominance of units 40 years of age or older.

## **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 with the average age of the structures being more than 40 years of age.

## **FINDINGS FOR GRAND ISLAND BLIGHT STUDY AREA #14**

Blight Study Area #14 has several items contributing to the Blight and Substandard Conditions. These conditions include:

### **Blighted Conditions**

- Deterioration of site or other improvements
- Dangerous conditions to life or property due to fire or other causes
- Average age of structures is over 40 years of age
- Improper Subdivision or obsolete platting
- Combination of factors which are impairing and/or arresting sound growth
- Diversity of Ownership
- Stable or decreasing population based on the last two decennial censuses

### **Substandard Conditions**

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