



# City of Grand Island

Tuesday, August 14, 2007

Council Session

## Item E2

**Public Hearing on Referral of Blighted and Substandard Study for Site Known as Redevelopment Area No. 6 Including Five Points, Eddy Street, Broadwell Avenue, and 2nd Street West to the Regional Planning Commission**

Staff Contact: Chad Nabity

# Council Agenda Memo

**From:** Chad Nabity, AICP

**Meeting:** August 14, 2007

**Subject:** Public Hearing Referral of Blighted and Substandard Study for Site Know as Redevelopment Area No. 6 Including Five Pints, Eddy Street, Broadwell Avenue, and 2<sup>nd</sup> Street West to the Regional Planning Commission

**Item #'s:** E-2 & I-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 the Grand Island Community Redevelopment Authority (CRA) by RDG Planning and Design. This study is for 412 acres of property in central and northern Grand Island including 5-Points, North Eddy Street, North Broadwell Avenue and the Second Street West area. 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.

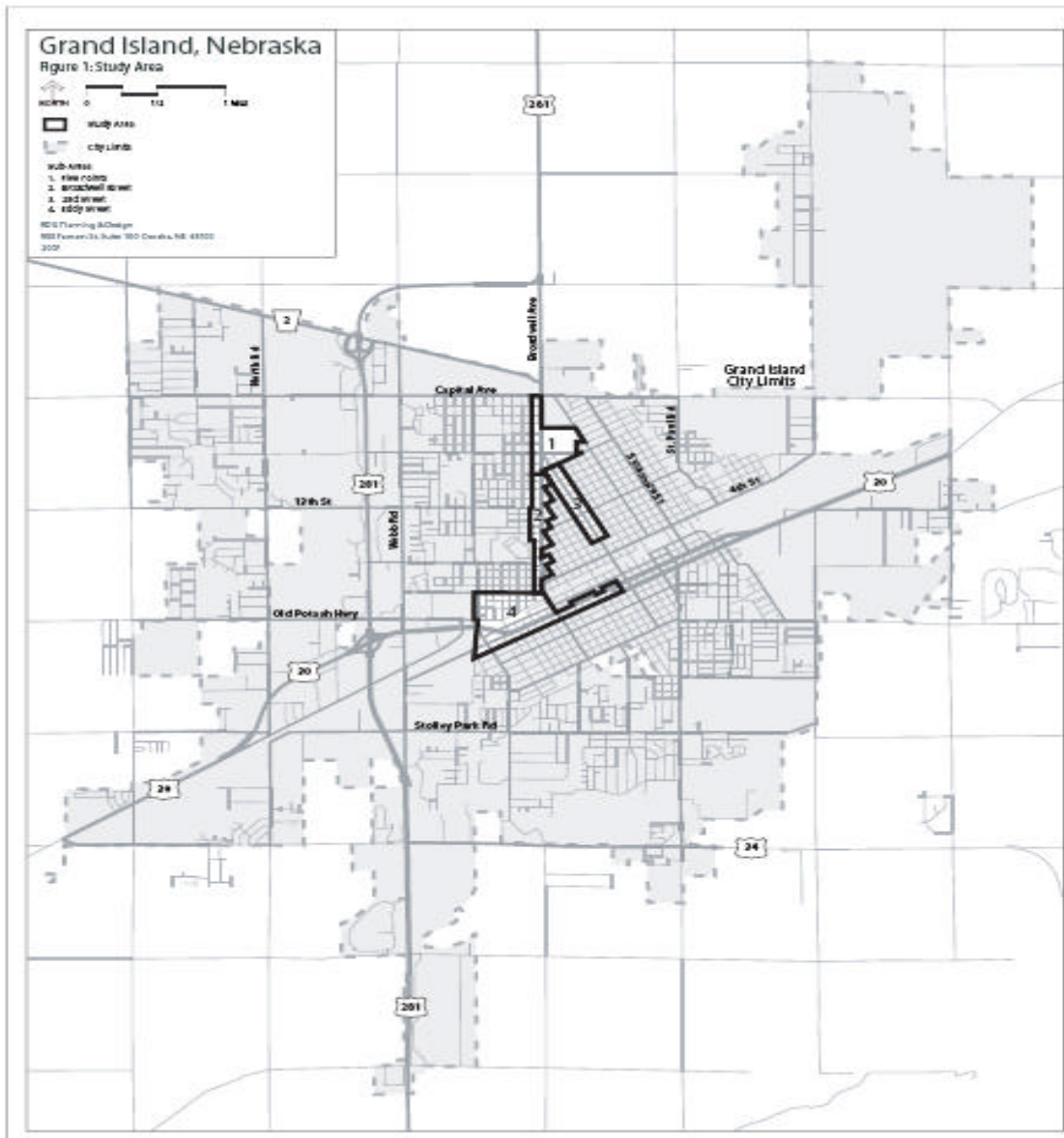
The Community Redevelopment Authority (CRA) has forwarded this study for the review and consideration of the Grand Island City Council. The CRA approved a resolution recommending approval of the area as Blighted and Substandard. The resolution also requested that Council forward this study to the Regional Planning Commission for their review and then make a final determination. 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.

This item will come before the City Council at their meeting on August 14<sup>th</sup> for a Public Hearing. 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 September 5<sup>th</sup> and would have a recommendation ready for last Council meeting in September.

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.

## Discussion

The public hearing and action item tonight relate to the Study for proposed CRA Area #6 located in north and central Grand Island as shown below. The study was prepared for 412 acres, of all of which are in the Grand Island City Limits



Wes Nespor, Assistant 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, 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. Nespor's opinion. According to NRSS §18-2109, it is clear that the City Council must send the Study to the Planning Commission prior to declaring the property substandard and blighted. If Council wishes to consider a declaration of substandard and blight State Statute requires the Council to submit the question of whether an area is substandard and blighted 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 today, August 6, 2007, 11.63% of the City has been declared blighted and substandard. The area proposed for Five Points, Eddy, Broadwell and Second Street (Area 6) would add another 2.27%. The EDC study (Area 7) would add 2.75%. If both Areas 6 and 7 were to be declared substandard and blighted by the Council 16.66% of the community would bear that designation. A map of the current blighted areas is attached.

It does not appear that the declaration of both Area 6 and Area 7 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.

## **Sample Motion**

Motion to adopt resolution to forward the Study to the Planning Commission for their review and recommendation.

