



City of Grand Island

Tuesday, August 28, 2007

Council Session

Item E1

**Public Hearing Concerning Blight/Substandard Study for
Redevelopment Area No. 7 Located 1/2 Mile East of Highway 281
and 1/2 Mile West of South Locust Street between Schimmer Drive
and Wildwood Drive**

Staff Contact: Chad Nabity

Council Agenda Memo

From: Regional Planning Commission

Meeting: August 28, 2007

Subject: Public Hearing on Blight/Substandard Study for
Redevelopment Area No. 7

Item #'s: E-1 & I-2

Presenter(s): Chad Nabity AICP, Regional Planning Director

Background

SUBJECT: *EDC Blight Study (Proposed CRA Area #7) C-24-2007GI*

PROPOSAL: The Grand Island Area Economic Development Corporation (GIAEDC) commissioned a Blight/Substandard Study for Redevelopment Area No. 7 to be prepared by Hanna:Keelan Associates of Lincoln Nebraska. The study area includes 498.5 acres referred to as CRA Area #7. This area is located primarily one-half mile east of U.S. Highway 281 and one-half mile west of South Locust Street between Schimmer Drive and Wildwood Drive.

OVERVIEW

The majority of this property was annexed by the City of Grand Island in March of 2007. The annexation was at the request of the GIAEDC in anticipation of industrial development on this property. Approximately 10 acres north of Schimmer Drive and 40 acres at the SW corner of the subject property were not annexed by the City. Areas outside of the city limits may be included within a study but redevelopment of those properties using TIF or other CRA funds may not be considered until after annexation.

The Planning Commission held a public hearing, made findings of fact and recommended approval of the blight declaration at their meeting on August 1, 2007.

Below is a synopsis of their comments and discussion and the motion to recommend approval with the attached findings of fact.

You will also find attached: a copy of the blight study as prepared by Hanna:Keelan Associates and a copy of the Planning Directors Report to the Planning Commission.

Discussion

Chairman O'Neill opened the above mentioned Public Hearing. Nabity reported that the Grand Island Area Economic Development Corporation (GIAEDC) commissioned a Blight/Substandard Study for Redevelopment Area No. 7 to be prepared by Hanna:Keelan Associates of Lincoln Nebraska. This study area includes 498.5 acres referred to as CRA Area #7. This area is located primarily one-half mile east of U.S. Highway 281 and one-half mile west of South Locust Street between Schimmer Drive and Wildwood Drive. Council referred the study to the Planning Commission for its review and recommendation at their meeting on July 10, 2007. If the Planning Commission does not make a recommendation within 30 days, Council can proceed with a decision on the declaration without recommendation from Planning Commission. Nabity stated that the Statutory authority and direction to the Planning Commission is referenced in Section 18-2109 – Redevelopment plan; preparation; requirements. Nabity presented a flow chart of the blight declaration process. He pointed out that, at this time, the Planning Commission and Council are only concerned with determining if the property is blighted and substandard. He presented an overview of the differences between the blight and substandard declaration and the redevelopment plan. If a declaration as blighted and substandard is made by Council, then the Community Redevelopment Authority (CRA) can consider appropriate redevelopment plans. The redevelopment plans must also be reviewed by the Planning Commission, and approved by Council, prior to final approval. Nabity stated that it is appropriate, in conducting its review and considering its recommendation regarding the substandard and blighted designation, for the planning commission to: (1) review the study; (2) take testimony from interested parties; (3) make findings of fact, and; (4) include those findings of fact as part of its recommendation to Council. To determine the terms blighted and substandard, Nabity referred to State Statutes Section 18-2103 – Terms, defined. He discussed the two principal structures, as well as the remaining 22 structures included in the study, as shown on pictures from the Hall County Assessor's Office. Nabity stated that the majority of the subject property was annexed by the City of Grand Island in March of 2007. The annexation was at the request of the GIAEDC in anticipation of industrial development on this property. Approximately ten acres north of Schimmer Drive and 40 acres at the SW corner of the property were not annexed by the City. He explained that areas outside of the City limits may be included within a study but redevelopment of those properties using TIF, or other CRA funds, may not be considered until after annexation.

Prior to opening discussion, O'Neill reiterated that a redevelopment plan is not a part of the consideration at this hearing. He then asked for questions from commissioners.

Heineman stated that she was familiar with the legislation that allows for the declaration of areas as blighted and substandard. However, she was unable to find information on how to apply the reasonable distribution of deficiencies test in that legislation. Nabity responded stating that you would know it (blighted and substandard) when you see it. Wes Nespor, with the Grand Island City Attorney's office, responded to Heineman's question stating that this comes down through case law where it has been established that

it is necessary to show that parcels that are not themselves declared blighted or substandard can be included in an area if they are necessary for the purpose of alleviating the blighted and substandard issues on the other parcels. The whole concept of having them distributed throughout is just another way of stating that if there is basically a good parcel mixed in the entire project, it is there because it is necessary to alleviate blighted and substandard conditions in the parcels that are not good. Heineman stated that the opposite would then apply as well. If the area adds a portion, because it does have blight and substandard, it cannot be pulled in just to make the area in question declared blighted and substandard. Nespor replied that applies if you are amending a blighted and substandard area. If one is starting from scratch, you would consider all of those questions from the beginning. Heineman had a second question regarding the portion of legislation, which reads "in its present use". She questioned the current use, since the City zoned this property M2 when it was annexed. Is its current use manufacturing, or is it agriculture? Nabity answered that its current use is agriculture and its expected use is manufacturing. He stated that it is not unusual for the City to zone property that is anticipated for other uses appropriately so that it is ready to be developed prior to the actual development occurring. Heineman contended that, when it doesn't say its intended, or expected, use and it just says its current use, then we have to take that to mean the way it is presently being used. Nespor agreed that is a fair reading of that statement, but even in the present use, we need to look at the various conditions. Are there buildings that are dilapidated, or are of a certain age that they fall within one of those categories? Heineman stated that she was referring specifically to the roads as to whether the roads were adequate for the current use. She stated that this Study makes the point that the roads would not be adequate for heavy manufacturing, but she contends that we are supposed to make a consideration based on its present use. Nespor agreed that, strictly speaking, she is most likely correct; however, this property is in an area that has been annexed and zoned M2. He continued stating that it is just a matter of time before this area is developed since it has been annexed. He referred to a broader aspect by considering if it is in the best interest of the City to address that issue at this point. He suggested that it was something that could be addressed when findings and facts are being discussed.

Reynolds questioned how each of the 24 structures could be considered individual parcels. Nabity referred the question to Marlan Ferguson since the Study came from the EDC. Ferguson then referenced page 16 of the Study; specifically, the section entitled "Parcel-by-Parcel Field Survey". He stated that Hanna:Keelan is a well respected firm who has completed five studies in this community. Ferguson defers to Hanna:Keelan, since they stand by this Study and this report. They explained their reasoning in the paragraph that Ferguson referred to on page 16. His opinion is that there are 26 structures on this property that are considered blighted and substandard. Nabity stated that, in listening to the paragraph that was read, the survey referred to was not a land survey. They were referring to a site condition survey, where they drove out and looked at the site, as opposed to a legal land survey. Reynolds noted that in the Study, it found that the barn structures were determined to be substandard due to substandard porches, steps, fire escapes, without water and extreme age. She cited page 16 of the Study which stated that "the system for classifying buildings be based on established evaluation

standards and criteria". Reynolds contends that the criteria are not standard for this type of structure. O'Neill answered by referring to page 17 of the Study regarding dilapidated or deteriorated structures. They examine structural components as primary components and then secondary components as building systems. Reynolds had the opinion that the Study measured the barns more as a residence, rather than a farm structure. Heineman questioned the standard with which they were doing the comparison. She contends that a chicken coop is compared in this Study as though it does not have adequate fire systems, as are the two houses that are on both farmsteads. A discussion followed regarding the buildings located on the southern farmstead, and questions raised and debated, as to the standards by which they were compared. Ferguson discussed the language, which described the standards of comparison. He also pointed out that the infrastructure needs to be a consideration of determining the blight and substandard designation. State statute does not differentiate between residential buildings and other buildings located in other places. He noted that there are enough factors of dilapidation and blight, plus lack of infrastructure, to designate this area as blighted and substandard. Reynolds asked another question regarding information contained on page 32, under number three, "Existence of Debris". She quoted, "These abandoned structures and adjacent areas with debris harbor pests and vermin, as well as being a threat to the health, safety and welfare of trespassers." She stated that she understood "attractive nuisance", but farms are not usually considered attractive nuisances. She also expressed agreement with Heineman regarding the condition of the rural roads needing to be hard surfaced for the municipal infrastructure and utility systems. Also, she did not think that the ethanol production facilities should have been mentioned, or used as a basis for criteria for finding the infrastructure and utility systems lacking.

Miller commented that perhaps the ethanol business should not have been mentioned at this point. However, the area will be bought into by other businesses and will need adequate infrastructure in order for those businesses to be developed. She stated that the question before the Commission is whether they found it blighted and substandard. Miller questioned whether that area would be considered beyond private enterprise ability to deal with effectively due to infrastructure requirements. O'Neill's opinion was that the existing surrounding land uses need to be considered, such as the power plant and the industrial park to the west. He suggested that the big picture should be considered by not just looking at what is actually there now, but look ahead to the potential for redevelopment. Miller asked Nabity to explain the potential positive, as well as the potential negative ramifications, if RPC accepts the Blight & Substandard Study. Nabity stated that the positive ramification would be that sewer and water could be extended through the property for redevelopment and potentially be financed with tax increment financing. The possible detriment would be that it could potentially open other areas on the urban fringe for the blight & substandard designation based on this same criteria.

Marlan Ferguson, President GIAEDC, responded to the possible negative impact of accepting the Study mentioned by Nabity before proceeding with his testimony. He stated that this property is what should be considered at this time since it has been annexed by the City Of Grand Island.

Ferguson provided a written statement, which he outlined for the RPC. This statement is copied below.



P.O. Box 1151

GRAND ISLAND, NE 68802-1151

August 1, 2007

To: Board of the Regional Planning Commission

From: Marlan Ferguson, President GIAEDC

The Nebraska Legislature passed the Nebraska Community Development Law to allow certain areas of the communities to be designated Blighted and Substandard thereby allowing a redevelopment plan to commence. A redevelopment plan can among other things include the use of tax increment financing (TIF). This is an invaluable tool which has been used multiple times in communities across Nebraska and the nation. As an example Kearney has approved 17 TIF projects, Hastings has 47 projects and Grand Island which currently has 8 projects. As you know Wood River has designated a large area Blighted and Substandard for the benefit of increased development.

Recruitment of businesses and industries is becoming extremely competitive and all the tools economic developers can have at their disposal is critical. The potential for TIF financing is attractive to potential new job creation and gives us another tool in the competition for economic development. It expedites the development of an area which is good for the tax base in the long run.

The Grand Island Area Economic Development Corporation has invested heavily in developing the Platte Valley Industrial Park including acquiring additional property titled PVIP II. This includes 320 acres with large tracts of land available. This acquisition was made in response to a potential project that would have taken 170 acres for a 1,000,000 square foot Distribution Center employing over 600 people. One of the first items they asked for was the availability of TIF and they continued to ask if the City would make that property eligible for TIF, so it was abundantly clear the need for TIF was paramount. Since then we have had numerous inquiries on this property and the request for TIF has been asked each time. We currently have two projects interested in locating in this area and one has indicated they would come.

The City has now annexed most of the area including an area not owned by the EDC but is a projected site for an ethanol plant, for which they too have asked about the availability of TIF. Most of the area has also been zoned to M-2 making this an excellent location for development. However there remains the need to upgrade the roads, improve surface drainage and extend the water and sewer system. The GIAEDC decided to have a "Blight and Substandard" study completed as the annexation and rezoning were taking place in order to plan for the future development of the area.

The study was completed by Hanna/Keelan Associates, P.C. from Lincoln, Ne. the same firm who completed previous studies for the City. The purpose of this Blight and Substandard Determination Study is to apply the criteria set forth in the Nebraska Community Development Law, Section 18-203, to the designated Redevelopment Area.

It is the opinion of the **CONSULTANT**, that the findings of this Blight and Substandard Determination Study warrant designating the Redevelopment Area as "substandard" and "blighted."

The GIAEDC Board encourages the Planning Commission to recommend approval of the designation to the City Council.

Bob Niemann, a former member of the Regional Planning Commission, spoke before the RPC. He encouraged members to recommend the approval of the declaration of this area

as blighted and substandard. He stated that it would be in the best interest of the City Of Grand Island since business recruitment is very competitive.

Greg Baxter spoke before the RPC. Baxter commended Heineman and Reynolds for their statements as fellow advocates for agriculture. He does not generally support municipal expansion on agricultural land, but in this case he supports this effort.

Eriksen stated that, even though he did not necessarily agree with the subjectivity that exists with the Statutory criteria pertaining to the blighted and substandard factors, clearly the professional opinion of Hanna:Keelan supports the designation. Since the experts support the finding, Eriksen stated that he will support it as well.

Hayes questioned what percentage of Grand Island would be declared blighted and substandard if both Studies were to be approved. Nabity stated that with the current areas and both this area and area 6 that will likely be before the planning commission in September 16.66% of the City would be considered blighted and substandard.

Haskins questioned Ferguson regarding tax increment financing in the consideration of determining whether public intervention was appropriate, or necessary, for the redevelopment of this area. Ferguson responded that because the City of Grand Island annexed this property, the City has one year to extend sewer and water to this area. He stated that while tax increment financing is the primary public intervention, it is not the only public intervention. Public intervention is absolutely necessary to get the needed infrastructure in place in order to have it ready for development.

Reynolds stated that, in her opinion the way the law is written now , the legislature should have looked at it more carefully. A brief discussion followed regarding the merits of TIF funds, both pro and con, which ultimately encourages community competition for the location of industry. Haskins stated that in the November election, Amendment Six put a vote to the people to actually use TIF funds for a wider array of projects, but it was soundly defeated. O'Neill pointed out that the Amendment contained other items as well. Hayes stated that he thinks that TIF funds have a purpose in many areas, and if it takes TIF funding to get businesses here to provide jobs, it is well worth it. He cited the Wal-Mart Distribution Center in North Platte, which used TIF funds, resulting in a great benefit to their community. Heineman agreed with everyone that industry is needed in Grand Island. She stated that she has a dilemma in her mind when she reads the Study. She is unable to see a predominance of dilapidated buildings in the subject area, or that there are substandard issues that meet the criteria as set forth by the legislature. Her dilemma is that the voters of the state of Nebraska were asked specifically if it would be appropriate to revise these statutes so that TIF funding could be used for areas other than substandard and dilapidated areas. The voters, who are represented by this body, declined those revisions. Heineman's opinion is, therefore, that it is the responsibility of this body to follow the dictates of what the legislature set forth as criteria, rather than follow the lead of the Hanna:Keelan Study, no matter what the consequences of that decision may be. Ferguson responded that the state statutes may have many interpretations. However, in his opinion, state statutes clearly state that there only needs

to be one of those twelve issues identified. The Study identified eight out of the twelve issues. Heineman disagreed with the interpretation, stating that there is an overlying sentence over the entire law, which states that “substandard areas shall meet an area in which there is a predominance of buildings or improvements in which” and then they list different areas in which you just need to have one of those pertain. Also, in addition, they list other criteria. Going down to the second paragraph, where it says the blighted area shall mean an area where there are a substantial number of deteriorated structures. She stated that you actually have to fulfill the whole thing, not just find one dilapidated building and therefore the entire area that you assign to it is considered substandard. Ferguson disagrees, but states that he is not an attorney. He again defers to the opinion of Hanna:Keelan. Changes to legislation to help in this area have been discussed but no changes have been enacted yet. Reynolds made statement pointing out that in looking at this area, as opposed to other areas, this looks like a typical farmstead in her opinion. Ferguson responded that it may be true, but in this definition and Study, it is considered a dilapidated farmstead. From tax roll information, there is no value assigned to these buildings, which clearly makes them dilapidated. In this case, this property is on the urban fringe and has been annexed and zoned M2, which is much different than most farmsteads in Hall County. O’Neill spoke concerning the definition of “blighted” on page 5, Section 18.2103. He stated that according to this definition, any combination of such factors under “(a)” and “at least one of the following conditions” under “(b)” would suffice. It is his opinion, according to this definition, that it is not necessary to find that all of these factors exist; but, that any combination is all that is required.

Snodgrass commented on the approval by the RPC of housing developments and infrastructure expansions. He noted the large number of homes currently for sale in our area. A discussion followed regarding the number and price ranges of the homes available. Snodgrass continued his comments by stating that if we have these houses and housing developments available, we need people with jobs to purchase those homes. It is his opinion that for the good of City, and the good of the community, this is a situation that we need to approve.

O’Neill had a question for Steve Riehle, Public Works Director, regarding the costs involved with adding sewer and water to the annexed area being discussed. According to Riehle, the trunk sewer line costs would be six to eight million dollars, a half a million dollars for the lift station and two million dollars for the water lines.

Ruge commented on the time of year the Study was prepared. He stated that obviously the buildings would look different today than they did in January when the photos were taken. There is some improvement being done that does make it look better. His assumption is that Hanna:Keelan physically inspected the buildings to determine the condition. He noted that there was a building on the south farmstead that is totally dilapidated and needs to be destroyed as well as some improvements that need to be done in that area for safety. He also noted that from the view from the street on the north farmstead, it is harder to see any deterioration that may be there. There is definitely an age factor involved for these buildings. However, improvements are currently being made.

Reynolds had one question on whether it would be beyond private enterprise ability to do this effectively.

Nespor noted the various portions of this hearing that need to be made a part of this public record. They are the slides and power point presentation, the Blighted and Substandard Study, and the written testimony of Marlan Ferguson.

O'Neill commented on the costs of bringing sewer and water to this property. He stated that if private enterprise had to spend eight million dollars to extend the trunk line to this area, it is not likely to be developed. It is his opinion that this is a huge issue.

Chairman O'Neill closed the public meeting.

Motion to Recommend Approval

A motion was made by Hayes, and seconded by Miller, to recommend the approval of the declaration of the area under consideration as blighted and substandard based on the facts presented and identified.

Chairman O'Neill stated that the findings of fact needed to be identified. These findings of fact will include the presentation; the Blight/Substandard Study presented by Hanna:Keelan, with the exception of Amendment B, the Redevelopment Plan; the written testimony by the Grand Island Economic Development Corporation; the buildings located on the property identified as aged/dilapidated; the age of structures are at least 40 years old ; property is different from other properties because of location on the urban fringe of the community in that it is directly adjacent to an industrial area on the west, directly adjacent to a power plant on the south with high voltage lines, as well as, close to rail lines, which would be good for manufacturing growth, but possibly detrimental for other development; location of major commercial arterial roads between, but not on, property; and, public intervention is deemed appropriate for the redevelopment of the area due to inadequate infrastructure, specifically sewer and water, and the high cost of making that available.

A roll call vote was taken and the motion passed with 9 members present (Ruge, Hayes, Monter, Haskins, Eriksen, Bredthauer, Snodgrass) voting in favor, and 2 members present (Reynolds, Heineman) voting against. Motion carried.

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

Recommendation

The Hall County Regional Planning Commission recommends that the Council approve the declaration of the area under consideration as blighted and substandard based on the facts presented and identified.

Sample Motion

Motion to approve as recommended.

Agenda Item 4

PLANNING DIRECTOR RECOMMENDATION TO REGIONAL PLANNING COMMISSION:

July 23, 2007

SUBJECT: *EDC Blight Study (Proposed CRA Area #7) C-24-2007GI*

PROPOSAL: The Grand Island Area Economic Development Corporation (GIAEDC) commissioned a Blight/Substandard Study for Redevelopment Area No. 7 to be prepared by Hanna:Keelan Associates of Lincoln Nebraska. The study area includes 498.5 acres referred to as CRA Area #7. This area is located primarily one-half mile east of U.S. Highway 281 and one-half mile west of South Locust Street between Schimmer Drive and Wildwood Drive. See Figure 1 for a map of the area. Council has referred the attached study to the Planning Commission for its review and recommendation. If the Planning Commission does not make a recommendation within 30 days Council can proceed with a decision on the declaration without recommendation from Planning Commission.

OVERVIEW

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

Section 18-2109

Redevelopment plan; preparation; requirements.

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

~Reissue Revised Statutes of Nebraska

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

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

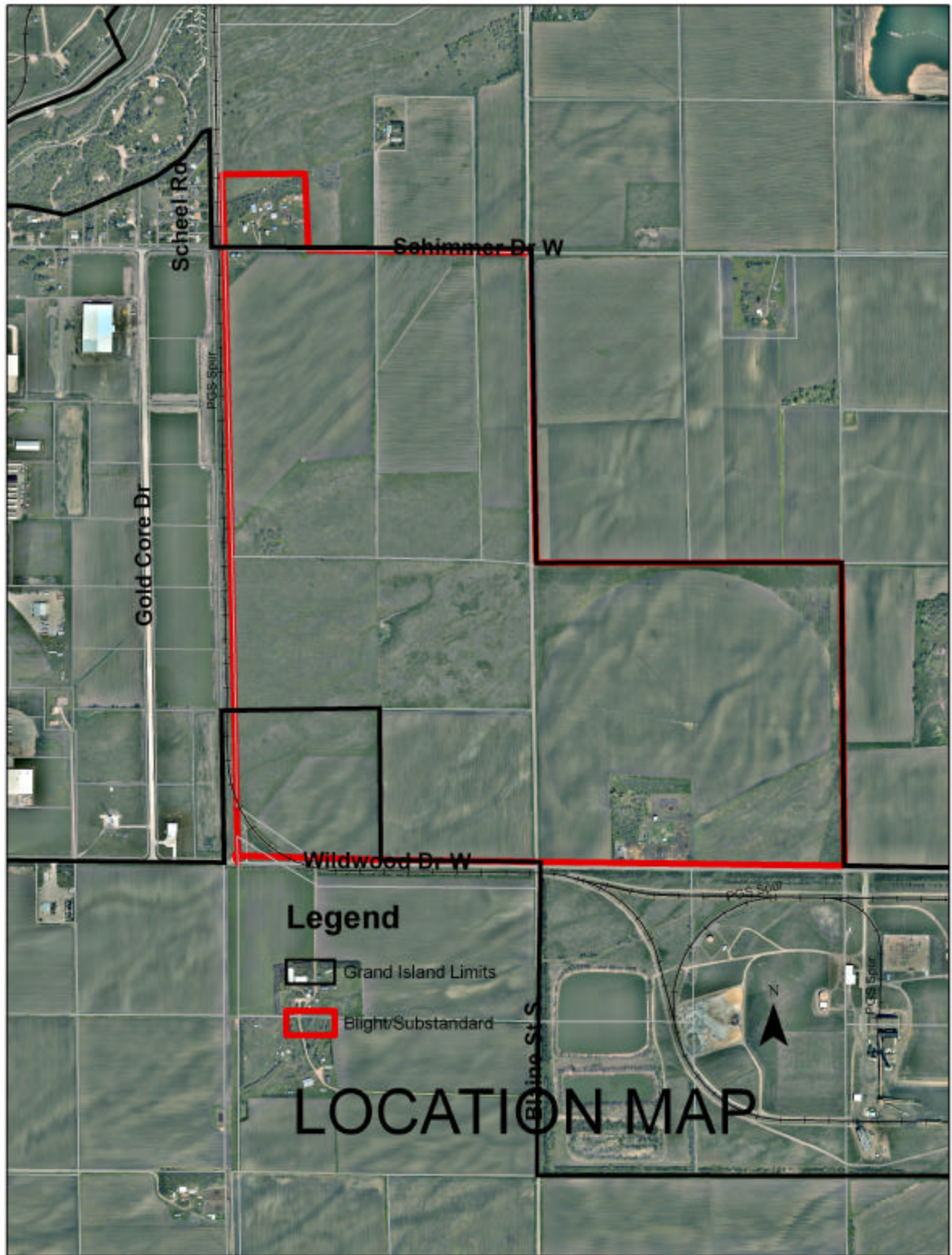


Figure 1 Redevelopment Area 7 includes all properties within the red outline.

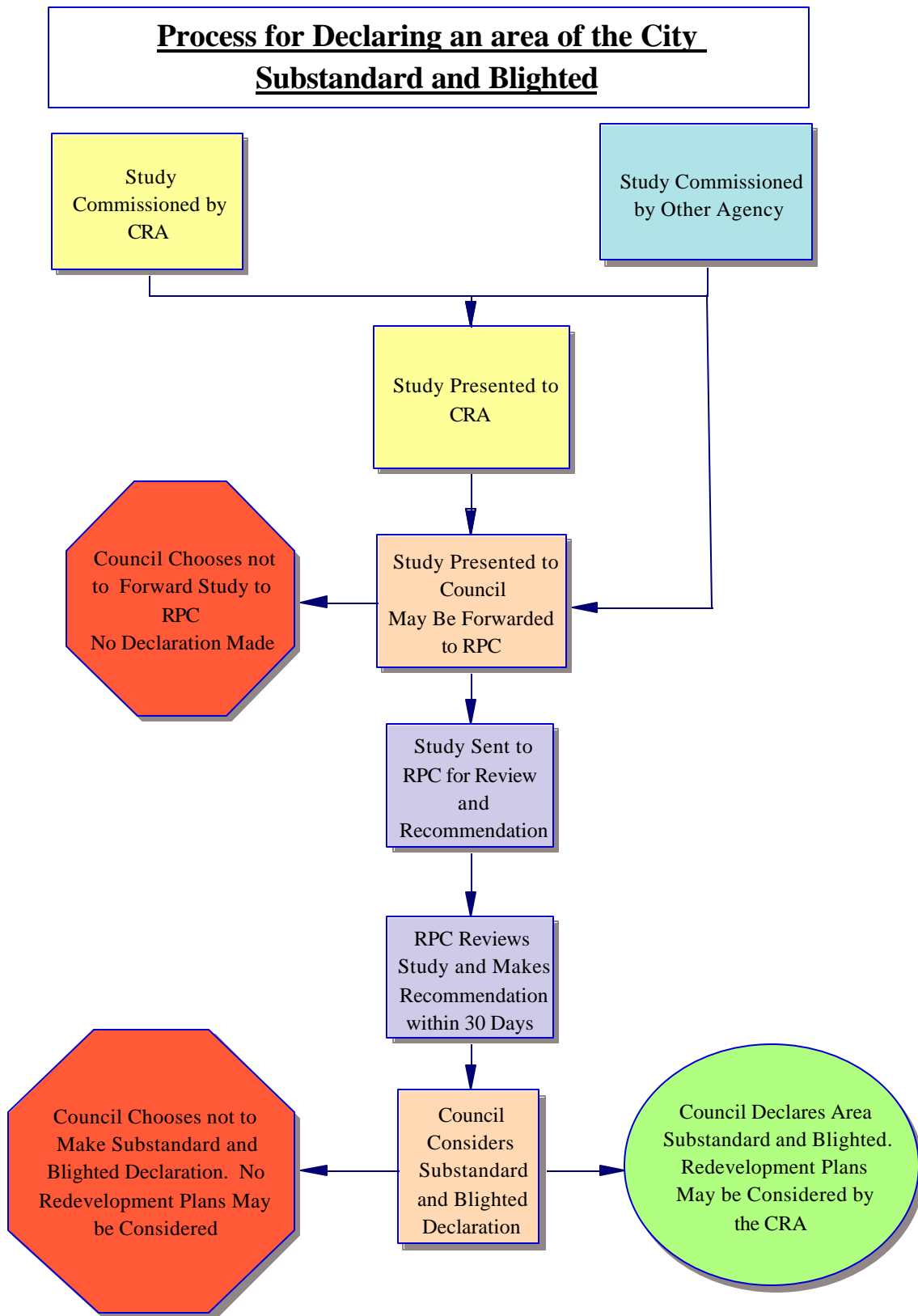


Figure 2 Blight Declaration Process (Planning Commission Recommendation is the second purple box).

Substandard and Blighted Declaration vs. Redevelopment Plan



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

Figure 3 Blight and Substandard Declaration compared to a Redevelopment Plan

OVERVIEW Continued

It is appropriate for the planning commission in conducting its review and considering its recommendation regarding the substandard and blighted designation to:

1. review the study,
2. take testimony from interested parties,
3. make findings of fact, and
4. include those findings of fact as part of its recommendation to Council.

Blighted and Substandard Defined

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

Section 18-2103

Terms, defined.

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

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

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

~Reissue Revised Statutes of Nebraska

ANALYSIS

The following tables are copied directly from the Study. The analysis of the substandard and blighted factors is conducted on pages 5 to 9 of the study.

**TABLE 1
SUBSTANDARD FACTORS
VALUE ADDED REDEVELOPMENT AREA
GRAND ISLAND, NEBRASKA**

1.	Dilapidated/deterioration.	■
2.	Age or obsolescence.	■
3.	Inadequate provision for ventilation, light, air, sanitation or open spaces.	■
4.	Existence of conditions which endanger life or property by fire and other causes.	■
	Strong Presence of Factor	■
	Reasonable Presence of Factor	■
	No Presence of Factor	○

Source: Hanna-Keelan Associates, P.C., 2007

**TABLE 2
BLIGHT FACTORS
VALUE ADDED REDEVELOPMENT AREA
GRAND ISLAND, NEBRASKA**

1.	A substantial number of deteriorated or deteriorating structures.	■
2.	Existence of defective or inadequate street layout.	■
3.	Faulty lot layout in relation to size, adequacy, accessibility or usefulness.	■
4.	Insanitary or unsafe conditions.	■
5.	Deterioration of site or other improvements.	■
6.	Diversity of Ownership.	■
7.	Tax or special assessment exceeding the fair value of land.	○
8.	Defective or unusual condition of title.	NR
9.	Improper subdivision or obsolete platting.	■
10.	The existence of conditions which endanger life or property by fire or other causes.	■
11.	Other environmental and blighting factors.	■
12.	One of the other five conditions.	■
	Strong Presence of Factor	■
	Reasonable Presence of Factor	■
	Little or No Presence of Factor	○
	Not Reviewed	NR

Source: Hanna-Keelan Associates, P.C., 2007

Grand Island Value Added Redevelopment Area
Blight and Substandard Determination Study

There are two principal structures on the subject property. Both are farm houses. The remaining 22 structures included in the study are assorted farm buildings and sheds see Figures 4 and 5 from the Hall County Assessor's Office. The house on the southern property was originally built in 1910 and moved onto this property in 2004. The house on the northern property was built in 1928. There are no structures on the property on the west side of Blaine Street between Schimmer Drive and Wildwood Drive. Seven structures identified in the study are not shown on the assessor's records. This can occur when the building has been fully depreciated and has no value.

ANALYSIS CONTINUED...

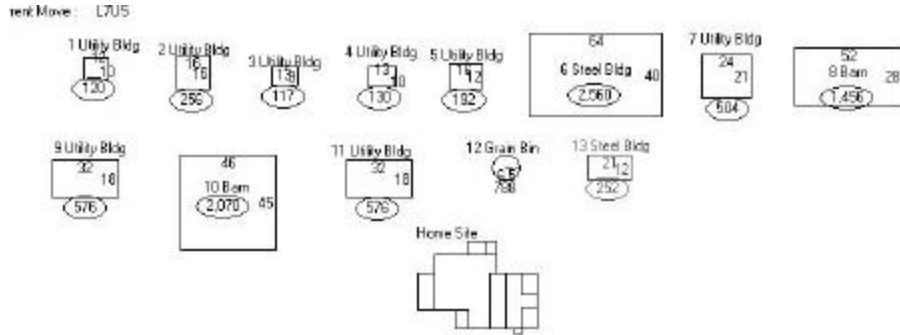


Figure 4 Northern Farmstead Sketch of Buildings from Hall County Assessors Records 7-23-07

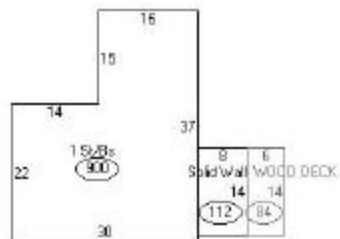


Figure 5 Southern Farmstead Sketch of Buildings from Hall County Assessors Records 7-23-07

The majority of this property was annexed by the City of Grand Island in March of 2007. The annexation was at the request of the GIAEDC in anticipation of industrial development on this property. Approximately 10 acres north of Schimmer Drive and 40 acres at the SW corner of the subject property were not annexed by the City. Areas outside of the city limits may be included within a study but redevelopment of those properties using TIF or other CRA funds may not be considered until after annexation.

RECOMMENDATION:

Based on the following excerpt from the Blight Study as presented by the GIAEDC and Hanna:Keelan Associates:

While it may be concluded the mere presence of a majority of the stated Factors may be sufficient to make a finding of blighted and substandard, this evaluation was made on the basis that existing Blighted and Substandard Factors must be present to an extent which would lead reasonable persons to conclude public intervention is appropriate or necessary to assist with any development or redevelopment activities. Secondly, the distribution of Blighted and Substandard Factors throughout the Redevelopment Area must be reasonably distributed so basically good areas are not arbitrarily found to be blighted simply because of proximity to areas which are blighted. (Page 4, Blight and Substandard Study and General Redevelopment Plan as prepared for the Grand Island Area EDC by Hanna:Keelan Associates, P.C.)

Planning Commission staff is recommending consideration of the following questions as a starting point in the analysis of this Study and in making a recommendation on the question of whether the property in question is blighted and substandard.

Recommend Questions for Planning Commission

- Does this property meet the statutory requirements to be considered blighted and substandard? (See Page 5 for requirements)
- Are the blighted and substandard factors distributed throughout the Redevelopment Area, so basically good areas are not arbitrarily found to be substandard and blighted simply because of proximity to areas which are substandard and blighted?
- Is public intervention appropriate and/or necessary for the redevelopment of the area?
- Is this property different than other properties on the urban fringe of the community?

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.

If the Regional Planning Commission concludes that the area in question meets the definition of blighted and substandard and supports such conclusion with findings of fact they should move to recommend **approval** of the declaration as blighted and substandard based on the facts presented and identified at this meeting.

If the Regional Planning Commission concludes that the area in question does not meet the definition of blighted and substandard and supports such conclusions with findings of fact, they should move to recommend **denial** of the declaration as blighted and substandard based on the facts identified.

GRAND ISLAND, NEBRASKA

VALUE ADDED REDEVELOPMENT AREA

Blight / Substandard Determination Study & General Redevelopment Plan

Prepared for:

GRAND ISLAND AREA
ECONOMIC DEVELOPMENT CORPORATION

Prepared by:

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JANUARY, 2007

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**BLIGHT AND SUBSTANDARD
DETERMINATION STUDY**

A. BLIGHT AND SUBSTANDARD DETERMINATION STUDY

EXECUTIVE SUMMARY

Purpose of Study/Conclusion

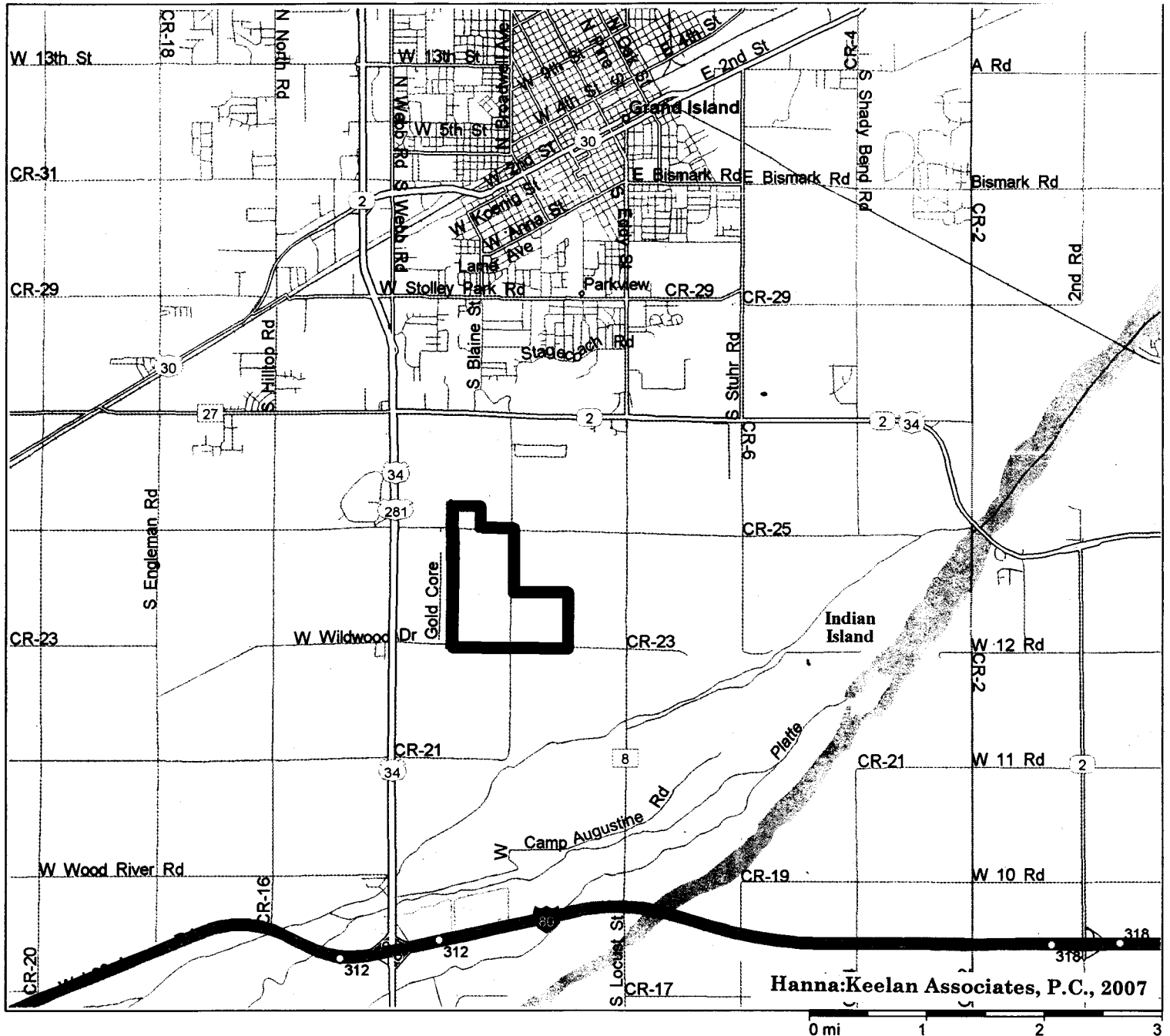
The purpose of this Blight and Substandard Determination Study is to apply the criteria set forth in the Nebraska Community Development Law, Section 18-203, to the designated Value Added Industrial Facility, or Redevelopment Area in Grand Island, Nebraska, for a value added agriculture land use development, an Ethanol Production Facility. The results of this Study will assist the Grand Island Area Economic Development Corporation, the Grand Island City Council and its legal representation to compare the findings of the Study to statutory requirements as to the declaration of the Value Added Redevelopment Area as both **blighted and substandard**.

Location

The findings presented in this Blight and Substandard Determination Study are based on surveys and analyses conducted for the, **Redevelopment Area**. In general, the Redevelopment Area consists of an area in the southern portion of Grand Island, adjacent the City's Corporate Limits, along the Highway 281 corridor. The Area is located between Schimmer and Wildwood Drives and is bound on the west by the St. Joseph Branch Railroad, which is located approximately one-half mile east of Highway 281, in Hall County, Nebraska. Beginning at the intersection of the east line of Blaine Street and the north line of Schimmer Drive West, thence south along said east line to its intersection with the north line of the southwest quarter of Section 4, Township 11 North, Range 9 West, of the 6th Principle Meridian, thence east along said north line to its intersection with the east line of the southwest quarter of Section 4, Township 11 North, Range 9 West, of the 6th Principle Meridian, thence south along said east line to its intersection with the south line of Wildwood Drive West, thence west along said south line to its intersection with the west line of the St. Joseph Branch Railroad right-of-way, thence north to the north line of Schimmer Drive West, and continuing north along the west line of the St. Joseph Branch Railroad right-of-way approximately 660' (or one-eighth of a mile), thence east approximately 660' and south approximately 660' to the north line of Schimmer Drive West, thence east along said north line to its intersection with the east line of Blaine Street, also the point of beginning.

Illustration 1 delineates the Area in relation to the City of Grand Island. The Redevelopment Area is an estimated 498.5 acres, and includes the right-of-ways of the St. Joseph Branch Railroad and Hall County roads. The boundary of the Redevelopment Area contains land areas outside the Corporate Limits of Grand Island. Any parcels for which Tax Increment Financing is used will first need to be annexed.

CITY CONTEXT MAP VALUE ADDED REDEVELOPMENT AREA GRAND ISLAND, NEBRASKA



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ILLUSTRATION 1

Grand Island Value Added Redevelopment Area
Blight and Substandard Determination Study

SUBSTANDARD AREA

As set forth in the Nebraska legislation, **a substandard area** shall mean one in which there is a predominance of buildings or improvements, whether nonresidential or residential in character, which by reason of the presence of:

1. Dilapidated/deterioration;
2. Age or obsolescence;
3. Inadequate provision for ventilation, light, air, sanitation or open spaces;
4.
 - (a) High density of population and overcrowding; or
 - (b) The existence of conditions which endanger life or property by fire and other causes; or
 - (c) Any combination of such factors, is conducive to ill health, transmission of disease, infant mortality, juvenile delinquency, and crime, and is detrimental to the public health, safety, morals or welfare.

This evaluation included a detailed **exterior structural survey of 24 structures**, a parcel-by-parcel field inventory, conversations with pertinent City of Grand Island and Hall County department staff and a review of available reports and documents containing information which could substantiate the existence of substandard conditions.

BLIGHTED AREA

As set forth in the Section 18-2103 (11) Nebraska Revised Statutes (Cumulative Supplement 1994), **a blighted area** shall mean "an area, which by reason of the presence of:

1. A substantial number of deteriorated or deteriorating structures;
2. Existence of defective or inadequate street layout;
3. Faulty lot layout in relation to size, adequacy, accessibility, or usefulness;
4. Insanitary or unsafe conditions;
5. Deterioration of site or other improvements;
6. Diversity of ownership;
7. Tax or special assessment delinquency exceeding the fair value of the land;

8. Defective or unusual conditions of title;
9. Improper subdivision or obsolete platting;
10. The existence of conditions which endanger life or property by fire or other causes;
11. 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
12. Is detrimental to the public health, safety, morals or welfare in its present condition and use; and in which there is at least one or more of the following conditions exists;
 1. Unemployment in the study or designated blighted area is at least one hundred twenty percent of the state or national average;
 2. The average age of the residential or commercial units in the area is at least 40 years;
 3. More than half of the plotted and subdivided property in an area is unimproved land that has been within the Village for 40 years and has remained unimproved during that time;
 4. The per capita income of the study or designated blighted area is lower than the average per capita income of the City or Village in which the area is designated; or
 5. The area has had either stable or decreasing population based on the last two decennial censuses."

While it may be concluded the mere presence of a majority of the stated Factors may be sufficient to make a finding of blighted and substandard, this evaluation was made on the basis that existing Blighted and Substandard Factors must be present to an extent which would lead reasonable persons to conclude public intervention is appropriate or necessary to assist with any development or redevelopment activities. Secondly, the distribution of Blighted and Substandard Factors throughout the Redevelopment Area must be reasonably distributed so basically good areas are not arbitrarily found to be blighted simply because of proximity to areas which are blighted.

On the basis of this approach, the Redevelopment Area is found to be eligible as "blighted" and "substandard", within the definition set forth in the legislation. Specifically:

SUBSTANDARD FACTORS

Of the four Factors set forth in the Nebraska Community Development Law, all four Factors in the Redevelopment Area were found to be present to a strong extent. The Substandard Factors, present in the Area, are reasonably distributed throughout the Redevelopment Area.

**TABLE 1
SUBSTANDARD FACTORS
VALUE ADDED REDEVELOPMENT AREA
GRAND ISLAND, NEBRASKA**

1.	Dilapidated/deterioration.	☐
2.	Age or obsolescence.	☐
3.	Inadequate provision for ventilation, light, air, sanitation or open spaces.	☐
4.	Existence of conditions which endanger life or property by fire and other causes.	☐
	Strong Presence of Factor	☐
	Reasonable Presence of Factor	■
	No Presence of Factor	○

Source: Hanna:Keelan Associates, P.C., 2007

Strong Presence of Factor -

The Field Study method used to analyze exterior building conditions determined that 20, or 83.3 percent of the 24 total structures, in the Redevelopment Area, were ***deteriorating or dilapidated***. This Factor is of a strong presence.

Based on the results of a parcel-by-parcel Field Analysis, approximately 23 (95.8 percent) of the total 24 structures within the Redevelopment Area are ***40+ years of age*** (built prior to 1967). The Factor of **age or obsolescence** is a strong presence.

The conditions which result in ***inadequate provision for ventilation, light, air, sanitation or open space*** are strongly present and distributed throughout the Redevelopment Area. Factors such as graveled roads with open storm water ditches, were present throughout the Area.

The parcel-by-parcel Field Analysis determined that the substandard Factor ***existence of conditions which endanger life or property*** by fire and other causes was a strong presence throughout the Redevelopment Area. The primary contributing items include inadequate provisions for a means of egress (15, or 62.5 percent of the structures had substandard porches, steps and fire escapes), parcels with excessive debris (34.6 percent of the parcels had the presence of major or minor debris), and areas exist that are without water and/or sewer mains.

The prevailing substandard conditions evident in buildings and the public infrastructure, as determined by the Field Survey, include:

1. Aging structures;
2. Dilapidated/deteriorating structures;
3. “Fair” to “Poor” site conditions;
4. Gravel surfaced roads with open storm water drainage ditches;
5. Frame buildings and wood structural components in masonry buildings as potential fire hazards;
6. Parcels lacking adequate accessibility to industrial land use types;
7. Frame buildings and wood structural components in masonry buildings as potential fire hazards;
8. Lack of municipal water and sanitary sewer infrastructure;
9. Parcels with excessive debris; and
10. Gravel surfaced private driveways and parking surfaces.

BLIGHT FACTORS

Of the 12 Factors set forth in the Nebraska Community Development Law, **five** are present to a strong extent, in the Redevelopment Area, and **five** are present to a reasonable, but more limited extent. The Factor “tax or special assessment excluding the fair value of land” was not determined to be a blighting factor. “Defective or unusual condition of title” was not reviewed. The Blight Factors which are present are reasonably distributed throughout the Grand Island Value Added Redevelopment Area.

**TABLE 2
BLIGHT FACTORS
VALUE ADDED REDEVELOPMENT AREA
GRAND ISLAND, NEBRASKA**

1.	A substantial number of deteriorated or deteriorating structures.	☐
2.	Existence of defective or inadequate street layout.	■
3.	Faulty lot layout in relation to size, adequacy, accessibility or usefulness.	■
4.	Insanitary or unsafe conditions.	☐
5.	Deterioration of site or other improvements.	☐
6.	Diversity of Ownership.	■
7.	Tax or special assessment exceeding the fair value of land.	○
8.	Defective or unusual condition of title.	NR
9.	Improper subdivision or obsolete platting.	■
10.	The existence of conditions which endanger life or property by fire or other causes.	☐
11.	Other environmental and blighting factors.	■
12.	One of the other five conditions.	☐
Strong Presence of Factor		☐
Reasonable Presence of Factor		■
Little or No Presence of Factor		○
Not Reviewed		NR

Source: Hanna:Keelan Associates, P.C., 2007

Strong Presence of Factor -

Deteriorated or dilapidated structures are a strong presence in the Redevelopment Area. A total of 83.3 percent of the 24 structures were found to be deteriorating or dilapidated.

Insanitary or unsafe conditions are strongly present throughout the Redevelopment Area. Conditions contributing to this Factor include the substandard age and condition of structures, as well as the presence of abandoned and dilapidated buildings.

Deterioration of site or other improvements is a strong presence throughout the Redevelopment Area. Four primary land parcels exist in the Area. Individual parcels exist for each of the 24 structures, plus two large vacant parcels, for a total of 26 individual parcels. The parcel-by-parcel Survey identified a total of 18, or 69.2 percent of the total parcels as possessing “fair” overall site conditions. Additionally, four, or 15.4 percent of the total 26 parcels were identified as being in “poor” condition. This represents a total of 84.6 percent (22 parcels) of the total 26 parcels as being in either “fair” or “poor” condition.

The ***existence of conditions which endanger life or property*** by fire or other causes is strongly present throughout the Redevelopment Area. Conditions related to this Factor include the advanced age of wood frame buildings, many of which are abandoned and dilapidated, shelter belts and extensive tree and underbrush areas containing dead and/or damaged trees and areas of excessive debris prone to fire and vermin. A majority (62.5 percent) of the structures surveyed had substandard porches, steps and fire escapes.

One of the required five additional blight factors has a strong presence throughout the Redevelopment Area. According to the field analysis, the estimated average age of residential buildings is 89.5 years.

Reasonable Presence of Factor -

Defective or inadequate street layout is reasonably present, due to a lack of adequate hard surfaced road access into the proposed site, as well as gravel surfaced private entry lane roads or driveways. In addition, gravel surfaced access roads with open storm water ditches exist throughout the Redevelopment Area.

Faulty lot layout exists to a reasonable extent throughout the Redevelopment Area. Conditions contributing to the presence of this Factor include inadequate lot sizes and limited accessibility.

Improper subdivision or obsolete platting is a reasonable presence throughout the Redevelopment Area. Generally, lot sizes throughout the Area contain subdivisions in which individual lot sizes are too large by today's development standards. Single parcels of large land areas led owners or developers to subdivide the parcel in a piecemeal fashion, rather than as a unified subdivision.

In regards to ***other environmental and blighting factors***, the presence of economically and socially undesirable land uses and functional obsolescence is reasonably present throughout the Redevelopment Area. A majority of the rural agricultural outbuildings are underutilized, or are abandoned and dilapidated.

Conclusion

It is the conclusion of the Consultant retained by the Grand Island Area Economic Development Corporation that the number, degree and distribution of Blight Factors, as documented in this Study, are beyond remedy and control solely by regulatory processes in the exercise of the police power and cannot be dealt with effectively by the ordinary operations of private enterprise without the aids provided in the Nebraska Community Development Law. It is also the opinion of the Consultant, that the findings of this Blight and Substandard Determination Study warrant designating the Redevelopment Area as **"substandard" and "blighted."**

The conclusions presented in this Study are those of the Consultant engaged by the Grand Island Area Economic Development Corporation to examine whether conditions of blight/substandard exist. The local governing body should review this report and, if satisfied with the summary of findings contained herein, may adopt a resolution making a finding of blight/substandard and this Study a part of the public record.

BASIS FOR REDEVELOPMENT

For a project in Grand Island to be eligible for redevelopment under the Nebraska Community Development Law, the subject area or areas must first qualify as both a “substandard” and “blighted” area, within the definition set forth in the Nebraska Community Development Law. This Study has been undertaken to determine whether conditions exist which would warrant designation of the Redevelopment Area as a “blighted and substandard area” in accordance with provisions of the law.

As set forth in Section 18-2103 (10) Neb. Rev. Stat. (Cumulative Supplement 1994), **substandard area** shall mean an area in which there is a predominance of buildings or improvements, whether nonresidential or residential in character, which by reason of the following:

1. Dilapidation/deterioration;
2. Age or obsolescence;
3. Inadequate provision for ventilation, light, air, sanitation or open spaces;
4.
 - (a) High density of population and overcrowding; or
 - (b) The existence of conditions which endanger life or property by fire and other causes; or
 - (c) Any combination of such factors is conducive to ill health, transmission of disease, infant mortality, juvenile delinquency and crime, and is detrimental to the public health, safety, morals or welfare.

As set forth in the Nebraska legislation, **a blighted area** shall mean an area, which by reason of the presence of:

1. A substantial number of deteriorated or deteriorating structures;
2. Existence of defective or inadequate street layout;
3. Faulty lot layout in relation to size, adequacy, accessibility or usefulness;
4. Insanitary or unsafe conditions;
5. Deterioration of site or other improvements;
6. Diversity of ownership;
7. Tax or special assessment delinquency exceeding the fair value of the land;

8. Defective or unusual conditions of title;
9. Improper subdivision or obsolete platting;
10. The existence of conditions which endanger life or property by fire or other causes;
11. 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;
12. Is detrimental to the public health, safety, morals, or welfare in its present condition and use; and in which there is at least one of the following conditions:
 1. Unemployment in the designated blighted area is at least one hundred twenty percent of the state or national average;
 2. The average age of the residential or commercial units in the area is at least 40 years;
 3. More than half of the plotted and subdivided property in the area is unimproved land that has been within the City for 40 years and has remained unimproved during that time;
 4. The per capita income of the designated blighted area is lower than the average per capita income of the City or Village in which the area is designated; or
 5. The area has had either stable or decreasing population based on the last two decennial censuses."

The Consultant for the Grand Island Value Added Redevelopment Area #7 Blight and Substandard Determination Study was guided by the premise that the finding of blight and substandard must be defensible and sufficient evidence of the presence of Factors should exist so members of the Grand Island City Council (local governing body), acting as reasonable and prudent persons, could conclude public intervention is necessary or appropriate. Therefore, each Factor was evaluated in the context of the extent of its presence and the collective impact of all Factors found to be present.

Also, these deficiencies should be reasonably distributed throughout the Redevelopment Area. Such a "reasonable distribution of deficiencies test" would preclude localities from taking concentrated areas of blight and expanding them arbitrarily into non-blighted areas for planning or other reasons. The only exception which should be made to this rule is where projects must be brought to a logical boundary to accommodate new development and ensure accessibility, but even in this instance, the conclusion of such areas should be minimal and related to an area otherwise meeting the reasonable distribution of deficiencies test.

THE STUDY AREA

The purpose of this Study is to determine whether all or part of the Value Added Redevelopment Area in Grand Island, Nebraska, qualifies as a **blighted and substandard area**, within the definition set forth in the Nebraska Community Development Law, Section 18-2103.

The findings presented in this Blight and Substandard Determination Study are based on surveys and analyses conducted for the, **Redevelopment Area**. In general, the Redevelopment Area consists of an area in the southern portion of Grand Island, adjacent the City's Corporate Limits, along the Highway 281 corridor. The Area is located between Schimmer and Wildwood Drives and is bound on the west by the St. Joseph Branch Railroad, which is located approximately one-half mile east of Highway 281, in Hall County, Nebraska. Beginning at the intersection of the east line of Blaine Street and the north line of Schimmer Drive West, thence south along said east line to its intersection with the north line of the southwest quarter of Section 4, Township 11 North, Range 9 West, of the 6th Principle Meridian, thence east along said north line to its intersection with the east line of the southwest quarter of Section 4, Township 11 North, Range 9 West, of the 6th Principle Meridian, thence south along said east line to its intersection with the south line of Wildwood Drive West, thence west along said south line to its intersection with the west line of the St. Joseph Branch Railroad right-of-way, thence north to the north line of Schimmer Drive West, and continuing north along the west line of the St. Joseph Branch Railroad right-of-way approximately 660' (or one-eighth of a mile), thence east approximately 660' and south approximately 660' to the north line of Schimmer Drive West, thence east along said north line to its intersection with the east line of Blaine Street, also the point of beginning.

Illustration 1 delineates the Area in relation to the City of Grand Island. The Redevelopment Area is an estimated 498.5 acres, and includes the right-of-ways of the St. Joseph Branch Railroad and Hall County roads.

The boundary of the Redevelopment Area contains land areas outside the Corporate Limits of Grand Island. These areas will need to be annexed prior to the use of Tax Increment Financing.

Existing land uses within the Grand Island Value Added Redevelopment Area are identified in **Illustration 2**.

Major land uses within the Redevelopment Area include vacant agricultural, farmsteads and Hall County road and railroad right-of-ways. The Redevelopment Area contains an estimated 498.5 acres, of which approximately 22.5 acres have been developed as farmsteads. Residential uses are comprised of single family dwellings.

The principle east-west arterial within the Redevelopment Area is Wildwood Drive which intersects with Highway 281, located approximately one-half mile west of the Redevelopment Area; Blaine Street, the main north-south route into the Redevelopment Area, provides access into Area from Wildwood Drive.

Table 3 identifies the estimated existing land uses within the Redevelopment Area, in terms of number of acres and percentage of total for all existing land uses. An estimated 90 percent of the land use throughout the Area is comprised of vacant or agricultural land.

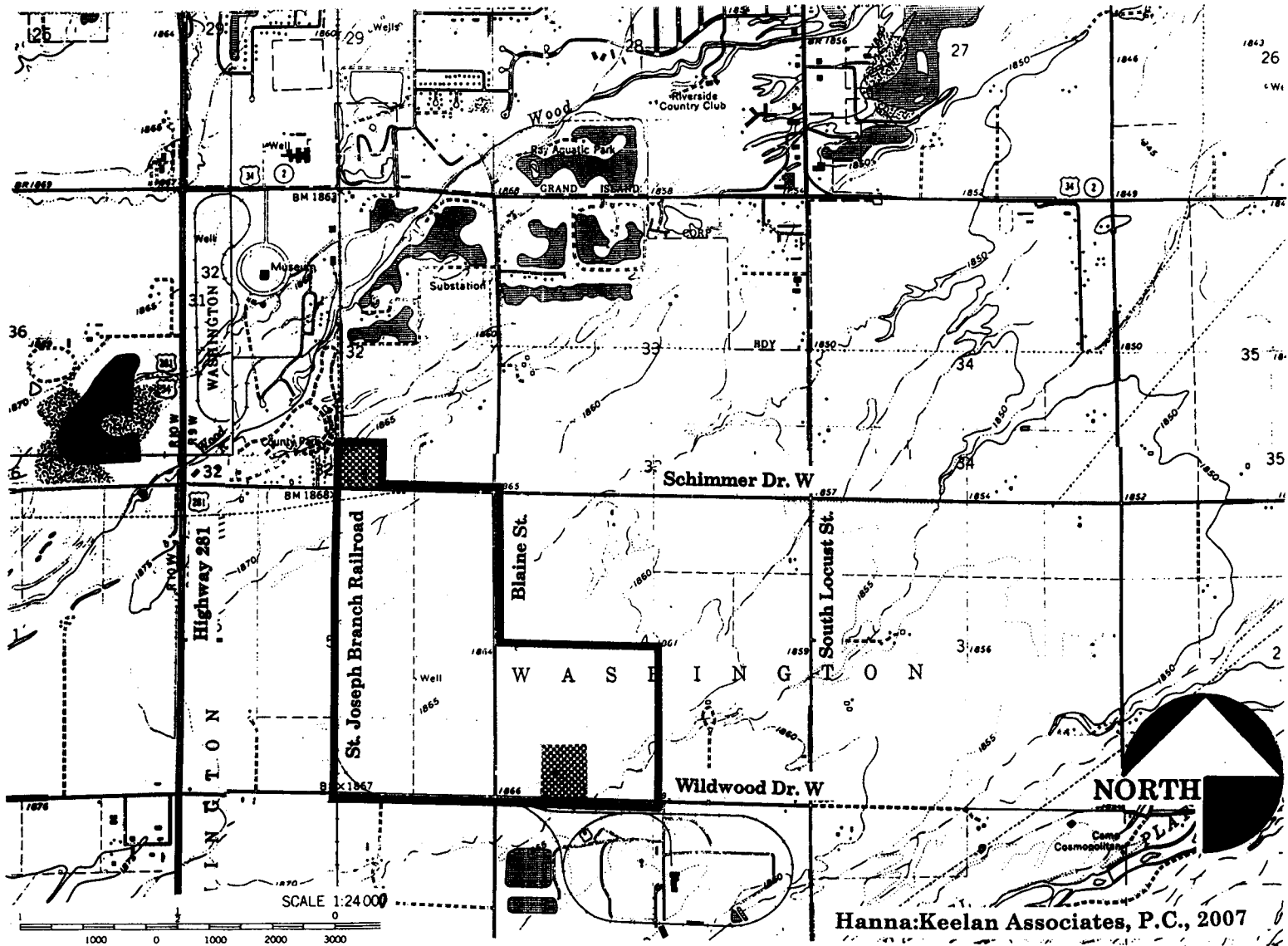
**TABLE 3
EXISTING LAND USE
VALUE ADDED REDEVELOPMENT AREA
GRAND ISLAND, NEBRASKA**

<u>LAND USE</u>	<u>ACRES</u>	<u>PERCENT</u>
Agricultural	449.2	90.1%
Farmstead	22.5	4.5%
Railroad Corridor	6.8	1.4%
Road Right-Of-Ways		
* Asphalt	16.0	3.2%
* Gravel	4.0	0.8%
Total Acreage	498.5	100.0%

Source: Hanna:Keelan Associates, P.C., 2007

Illustration 3 identifies the Redevelopment Area within the Planning Jurisdiction of the City of Grand Island. Currently, the Area is zoned A-2 Secondary Agricultural District and TA Transitional Agricultural. An Ethanol Production Facility is not a permitted use in the TA District. The TA District includes non-farm residential dwellings and general agricultural uses as a rural residential transitional area between Hall County and the Corporate Limits of Grand Island. The A-2 Secondary Agricultural District allows property owners to apply for a Conditional Use Permit within the Zone, to build an Ethanol Production Facility. However, the owners and financial backers of the project may require that the Facility have out-right permissive zoning designation, where an Ethanol Production Facility is a principally permitted use in a zoning district such as an Agricultural/Industrial District.

EXISTING LAND USE MAP VALUE ADDED REDEVELOPMENT AREA GRAND ISLAND, NEBRASKA



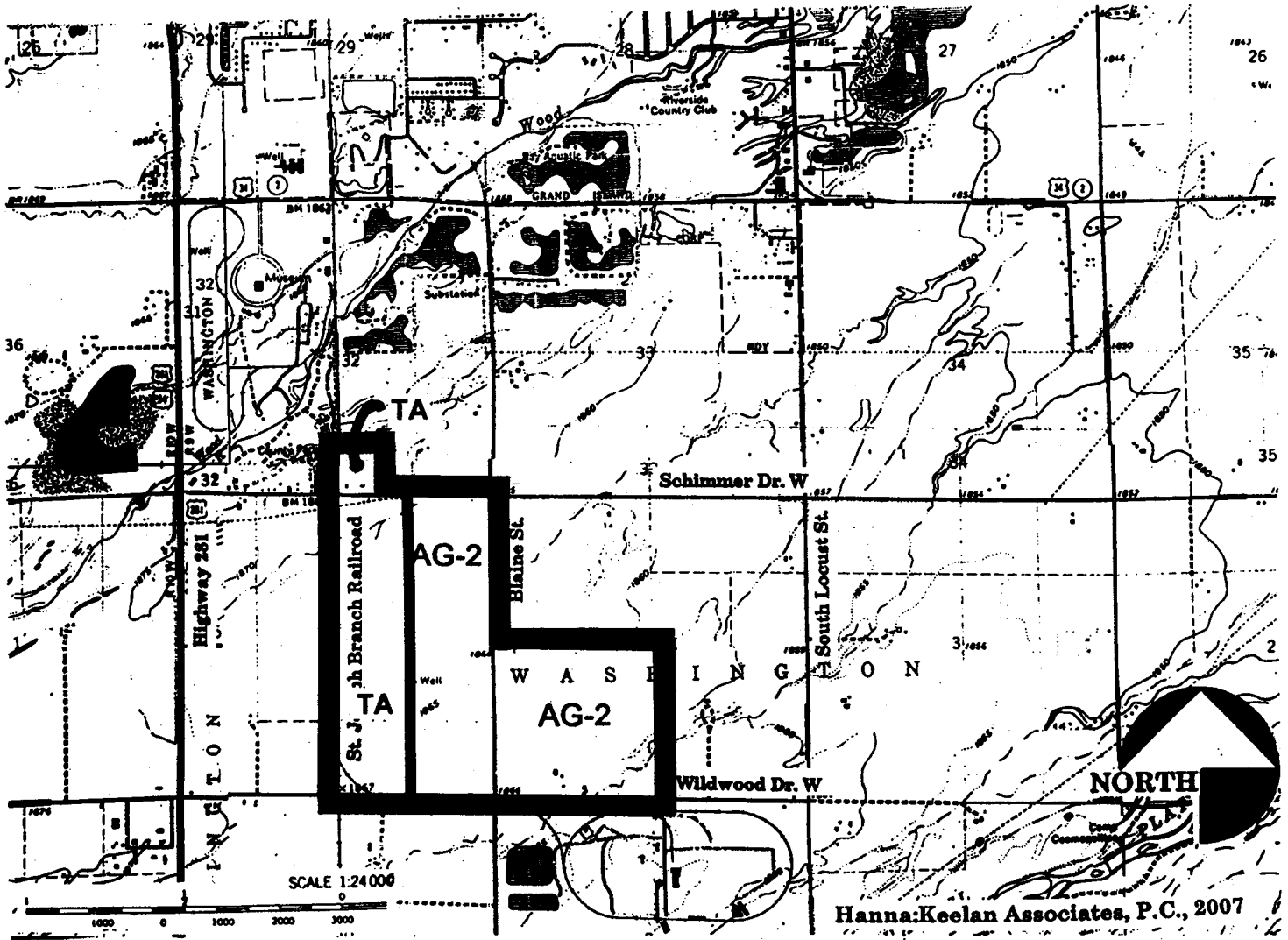
LEGEND

- FARMSTEAD
- VACANT / AGRICULTURAL

ILLUSTRATION 2

Grand Island Value Added Redevelopment Area
Blight and Substandard Determination Study

EXISTING ZONING MAP VALUE ADDED REDEVELOPMENT AREA GRAND ISLAND, NEBRASKA



LEGEND

- TA TRANSITIONAL AGRICULTURAL DISTRICT
- AG-2 SECONDARY AGRICULTURAL DISTRICT

ILLUSTRATION 3

Grand Island Value Added Redevelopment Area
Blight and Substandard Determination Study

THE RESEARCH APPROACH

The blight and substandard determination research approach implemented for the Redevelopment Area included an area-wide assessment (100 percent sample) of all Factors identified in the Nebraska Community Development Law, with the exception of “defective or unusual condition of title.” All Factors were investigated on an area-wide basis.

Structural Survey Process

The rating of building conditions is a critical step in determining the eligibility of an area for redevelopment. It is important that the system for classifying buildings be based on established evaluation standards and criteria and that it result in an accurate and consistent description of existing conditions.

A structural condition survey was conducted in the month of October, 2006. A total of **24 structures** received exterior inspections. These structures were examined to document structural deficiencies in individual buildings and to identify related environmental deficiencies in the Redevelopment Area. The structural Condition Survey Form utilized in this process is provided in the **Appendix**.

Parcel-by-Parcel Field Survey

A parcel-by-parcel Field Survey was conducted in the month of October, 2006. Each structure was considered to be on its own parcel.

As an example, an imaginary farmstead containing one farmhouse and 12 outbuildings, with two distinct agricultural tracts of land, all included on an 80-acre tract of land, equals 15 individual surveyed parcels.

Thus, in this Study, a total of four overall parcels, containing **26 individual parcels**, with 24 structures and two large vacant tracts of land, were inspected for existing and adjacent land uses, overall site conditions, existence of debris, parking conditions and street, sidewalk and alley surface conditions. The Condition Survey Form is included in the **Appendix**, as well as the results of the Survey.

Research on Property Ownership and Financial Assessment of Properties

Public records and Cadastral Maps or aerial photographs of all parcels in the Redevelopment Area were analyzed to determine the number of property owners in each block.

An examination of public records was conducted to determine if tax delinquencies existed for properties in the Redevelopment Area. The valuation, tax amount and any delinquent amount was examined for each of the properties.

ELIGIBILITY SURVEY AND ANALYSIS FINDINGS

An analysis was made of each of the Blighted and Substandard Factors listed in the Nebraska legislation to determine whether each or any were present in the Redevelopment Area and, if so, to what extent and in what locations. The following represents a summary evaluation of each Blight and Substandard Factor presented in the order of listing in the Law.

SUBSTANDARD FACTORS

(1) Dilapidation/Deterioration of Structures

The rating of building conditions is a critical step in determining the eligibility of a substandard area for redevelopment. The system for classifying buildings must be based on established evaluation standards and criteria and result in an accurate and consistent description of existing conditions.

This section summarizes the process used for assessing building conditions in the Grand Island Value Added Redevelopment Area, the standards and criteria used for evaluation and the findings as to the existence of dilapidation/deterioration of structures.

The building condition analysis was based on an exterior inspection of all **24** existing structures, within the Redevelopment Area, to note structural deficiencies in individual buildings and to identify related environmental deficiencies for individual sites or parcels within the area.

1. Structures/Building Systems Evaluation

During the on-site field analysis, each component of a structure/building was examined to determine whether it was in sound condition or had minor, major, or critical defects. Structures/building systems examined included the following types, **one, Primary** and **two, Secondary**.

Structural Systems (Primary Components). These include the basic elements of any structure/building: roof structure, wall foundation, and basement foundation.

(Secondary Components)

Building Systems. These components include: roof surface condition, chimney, gutters/down spouts, and exterior wall surface.

Architectural Systems. These are components generally added to the structural systems and are necessary parts of the structure/building, including exterior paint, doors, windows, porches, steps, and fire escape, and driveways and site conditions.

The evaluation of each individual parcel of land included the review and evaluation of: adjacent land use, street surface type, street conditions, sidewalk conditions, parking, railroad track/right-of-way composition, existence of debris, existence of vagrants, and overall site condition, and the documentation of age and type of structure/building.

2. Criteria for Rating Components for Structural, Building and Architectural Systems

The components for the previously identified Systems, are individually rated utilizing the following criteria.

Sound. Component that contains no defects, is adequately maintained, and requires no treatment outside of normal ongoing maintenance.

Minor - Defect. Component that contains minor defects (loose or missing material or holes and cracks over a limited area) which often can be corrected through the course of normal maintenance. The correction of such defects may be accomplished by the owner or occupants, such as pointing masonry joints over a limited area or replacement of less complicated systems. Minor defects are considered in rating a structure/building as deteriorating/dilapidated.

Major - Defect. Components that contain major defects over a widespread area and would be difficult to correct through normal maintenance. Structures/buildings having major defects would require replacement or rebuilding of systems by people skilled in the building trades.

Critical Defect. Components that contain critical defects (bowing, sagging, or settling to any or all exterior systems causing the structure to be out-of-plumb, or broken, loose or missing material and deterioration over a widespread area) so extensive the cost of repairs would be excessive in relation to the value returned on the investment.

3. Final Structure/Building Rating

After completion of the **Exterior Rating** of each structure/building, each individual structure/building is placed in one of four categories, based on the combination of defects found with Components contained in Structural, Building and Architectural Systems. Each final rating is described below

Sound. Defined as structures/buildings that can be kept in a standard condition with normal maintenance. Structures/buildings, so classified, **have less than six points**.

Deficient-Minor. Defined as structures/buildings classified as deficient--requiring minor repairs--**having between six and 10 points**.

Deteriorating. Defined as structures/buildings classified as deficient--requiring major repairs--**having between 11 and 20 points**.

Dilapidated. Defined as structurally substandard structures/buildings containing defects that are so serious and so extensive that it may be most economical to raze the structure/building. Structures/buildings classified as dilapidated will **have at least 21 points**.

An individual ***Exterior Rating form*** is completed for each structure/building. The results of the ***Exterior Rating*** of all structures/buildings are presented in a ***Table format***.

<u>Primary Components</u>	<u>Secondary Components</u>
One Critical = 11 pts	One Critical = 6 pts
Major Deteriorating = 6 pts	Major Deteriorating = 3 pts
Minor = 2 pts	Minor = 1 pt

____ Major deficient buildings are considered to be the same as deteriorating buildings as referenced in the Nebraska legislation; substandard buildings are the same as dilapidated buildings. The word “building” and “structure” are presumed to be interchangeable.

4. Field Survey Conclusions

The condition of the total 24 buildings within the Redevelopment Area was determined based on the finding of the Exterior Survey. These surveys indicated the following:

- None (0) of the structures were classified as structurally sound;
- Four (4) structures were classified as deteriorating with minor defects;
- Ten (10) structures were classified as deteriorating with major defects; and
- Ten (10) structures were classified as dilapidated.

The results of the Exterior Structural Survey identified the conditions of the structures, throughout the Redevelopment Area. A total of 20 (83.3 percent) of the total 24 structures, within the Area, are either deteriorating or dilapidated to a substandard condition.

Conclusion

The results of the Structural Survey indicate dilapidated and deteriorating structures are present to a strong extent throughout the Redevelopment Area. Table 4 identifies the results of the structural rating process per building type.

TABLE 4
EXTERIOR SURVEY FINDINGS
VALUE ADDED REDEVELOPMENT AREA
GRAND ISLAND, NEBRASKA

Exterior Structural Rating

<u>Activity</u>	<u>Sound</u>	<u>Deficient Minor</u>	<u>Deteriorating</u>	<u>Dilapidated</u>	<u>Number of Structure</u>	<u>Deteriorating or Dilapidated</u>
Single Family	0	2	0	0	2	0
<u>Agricultural/ Other</u>	<u>0</u>	<u>2</u>	<u>10</u>	<u>10</u>	<u>22</u>	<u>20</u>
Totals	0	4	10	10	24	20
Percent	0.0%	16.7%	41.7%	41.7%	100.0%	83.3%

Source: Hanna:Keelan Associates, P.C., 2007

(2) Age and Obsolescence

As per the results of the Field Survey, the estimated average age of residential structures in the Redevelopment Area is 89.5 years of age. The Survey also estimates that of the total 24 structures, 23 (95.8 percent) are 40+ years of age, or were built prior to 1967.

Conclusion

The age and obsolescence of structures is a strong presence throughout the Redevelopment Area.

(3) Inadequate Provision for Ventilation, Light, Air, Sanitation or Open Spaces

The results from the Exterior Structural Survey, along with other field data, provided the basis for the identification of insanitary and unsafe conditions in the Grand Island Value Added Redevelopment Area. Factors contributing to insanitary and unsafe conditions are discussed below.

The Survey determined that 83.3 percent of the total 24 structures, in the Redevelopment Area, were deteriorated or dilapidated. When not adequately maintained or upgraded to present-day occupancy standards, buildings that are deteriorating or dilapidated pose special safety and sanitary problems. There is a significant number of wood-framed, one- and two story farm or residential buildings in need of structural repair or fire protection. There is a substantial number of structures with substandard doors (25 percent) and windows (21 percent).

The parcel-by-parcel Survey identified a total of 18, or 69.2 percent of the total parcels as possessing “fair” overall site conditions. Additionally, four, or 15.4 percent of the total 26 parcels were identified as being in “poor” condition. This represents a total of 84.6 percent (22 parcels) of the total 26 parcels as being in either “fair” or “poor” condition.

Vacant parcels within the Redevelopment Area, presently lack modern municipal infrastructure and utility systems, including water and sewer systems, however, these utilities are adjacent the Area and can be extended into the Area upon annexation by the City. Lands associated with agricultural production within the Redevelopment Area are located within Lamoure Clay Loam Soils associated with the Wood River bottom lands.

Conclusion

The inadequate provision for ventilation, light, air, sanitation or open spaces in the Grand Island Value Added Redevelopment Area is strongly sufficient to constitute a Substandard Factor.

4) **The Existence of Conditions Which Endanger Life or Property by Fire and Other Causes**

1. Inadequate Provisions, or a Lack of a Means of Egress

Potential life-threatening conditions exist in each of the existing structures. The Field Survey identified that approximately 15 (or 62.5 percent) of the 24 total structures in the Redevelopment Area have substandard porches, steps and fire escapes.

2. Frame Buildings

There were wood-framed buildings with wooden structural elements throughout the Redevelopment Area, in need of structural repair or fire protection. These buildings have been determined to be deteriorating or dilapidated, amounting to nearly 82 percent of the structures surveyed.

3. Lack of adequate utilities

The Redevelopment Area is served by the City of Grand Island electrical system, but lacks modern municipal water and sanitary sewer systems needed to support future industrial development. As portions of this Area are annexed and planned for industrial development, all utility systems will need to be extended from the Corporate Limits of Grand Island to service the Redevelopment Area.

Specific data relating to the Redevelopment Area is discussed in the following paragraphs.

Minor and major debris located on nine parcels (34.6 percent) is significant and poses a potential fire hazard, as well as a place to harbor pests, which can be detrimental to the public's overall health and safety.

Approximately 96 percent of the structures in the Redevelopment Area were built prior to 1967, thus 40+ years of age.

There are masonry buildings with wooden structural elements, located within the Area, in need of structural repair or fire protection. Several of these buildings have been determined to be deteriorating or dilapidated.

Overall site conditions, throughout the Redevelopment Area, were generally found to be in “fair” condition. The Field Survey determined that 18 parcels, or 69.2 percent of the total 26 parcels, are in “fair” condition, while an additional four parcels (15.4 percent) were determined to be in “poor” condition. This overall condition rating indicates that 84.6 percent, or 22 of the total 26 properties were found to be in “fair” or “poor” overall site condition. This includes the general condition of structures and an evaluation of the land with improvements, such as culverts, bridges, highways, county roads, driveways, parking areas and landscaping.

Conclusion

The conditions which endanger life or property by fire and other causes are strongly present throughout the Redevelopment Area.

BLIGHT FACTORS

(1) Dilapidation/Deterioration of Structures

The rating of building conditions is a critical step in determining the eligibility of a substandard area for redevelopment. The system for classifying buildings must be based on established evaluation standards and criteria and result in an accurate and consistent description of existing conditions.

This section summarizes the process used for assessing building conditions in the Grand Island Value Added Redevelopment Area, the standards and criteria used for evaluation and the findings as to the existence of dilapidation/deterioration of structures.

The building condition analysis was based on an exterior inspection of all **24** existing structures, within the Redevelopment Area, to note structural deficiencies in individual buildings and to identify related environmental deficiencies for individual sites or parcels within the area.

1. Building Systems Evaluated

During the on-site field analysis, each component of a structure/building will be examined to determine whether it is in sound condition or has minor, major, or critical defects. Structures/building systems to be examined will include the following three types, **one Primary** and **two Secondary**.

Structural Systems (Primary Components). These include the basic elements of any structure/building: roof structure, wall foundation, and basement foundation.

(Secondary Components)

Building Systems. These components include: roof surface condition, chimney, gutters/down spouts, and exterior wall surface.

Architectural Systems. These are components generally added to the structural systems and are necessary parts of the structure/building, including exterior paint, doors, windows, porches, steps, and fire escape, and driveways and site conditions.

The evaluation of each individual parcel of land includes the review and evaluation of: adjacent land use, street surface type, street conditions, sidewalk conditions, parking, railroad track/right-of-way composition, existence of debris, existence of vagrants, and overall site condition, and the documentation of age and type of structure/building.

2. Criteria for Rating Components for Structural, Building and Architectural Systems

The components for the previously identified Systems, are individually rated utilizing the following criteria.

Sound. Component that contains no defects, is adequately maintained, and requires no treatment outside of normal ongoing maintenance.

Minor - Defect. Component that contains minor defects (loose or missing material or holes and cracks over a limited area) which often can be corrected through the course of normal maintenance. The correction of such defects may be accomplished by the owner or occupants, such as pointing masonry joints over a limited area or replacement of less complicated systems. Minor defects are considered in rating a structure/building as deteriorating/dilapidated.

Major - Defect. Components that contain major defects over a over a widespread area and would be difficult to correct through normal maintenance. Structures/buildings having major defects would require replacement or rebuilding of systems by people skilled in the building trades.

Critical Defect. Components that contain critical defects (bowing, sagging, or settling to any or all exterior systems causing the structure to be out-of-plumb, or broken, loose or missing material and deterioration over a widespread area) so extensive the cost of repairs would be excessive in relation to the value returned on the investment.

3. Final Structure/Building Rating

After completion of the **Exterior Rating** of each structure/building, each individual structure/building is placed in one of four categories, based on the combination of defects found with Components contained in Structural, Building and Architectural Systems. Each final rating is described below

Sound. Defined as structures/buildings that can be kept in a standard condition with normal maintenance. Structures/buildings, so classified, **have less than six points**.

Deficient-Minor. Defined as structures/buildings classified as deficient--requiring minor repairs--**having between 6 and 10 points**.

Deteriorating. Defined as structures/buildings classified as deficient--requiring major repairs-- **having between 11 and 20 points**.

Dilapidated. Defined as structurally substandard structures/buildings containing defects that are so serious and so extensive that it may be most economical to raze the structure/building. Structures/buildings classified as dilapidated will **have over 21 points**.

An individual ***Exterior Rating form*** is completed for each structure/building. The results of the ***Exterior Rating*** of all structures/buildings are presented in a ***Table format***.

<u>Primary Components</u>	<u>Secondary Components</u>
One Critical = 11 pts	One Critical = 6 pts
Major Deteriorating = 6 pts	Major Deteriorating = 3 pts
Minor = 2 pts	Minor = 1 pt

Major deficient buildings are considered to be the same as deteriorating buildings as referenced in the Nebraska legislation; substandard buildings are the same as dilapidated buildings. The word “building” and “structure” are presumed to be interchangeable.

4. Field Survey Conclusions

The condition of the total 24 buildings within the Redevelopment Area were determined based on the finding of the Exterior Survey. These surveys indicated the following:

- None (0) of the structures were classified as structurally sound;
- Four (4) structures were classified as deteriorating with minor defects.
- Ten (10) structures were classified as deteriorating with major defects; and
- Ten (10) structures were classified as dilapidated,

The results of the Exterior Structural Survey identified the conditions of the structures, throughout the Redevelopment Area. A total of 20 (83.3 percent) of the total 24 structures, within the Area, are either deteriorating or dilapidated to a substandard condition.

Conclusion

The results of the Structural Survey indicates dilapidated and deteriorating structures are present to a strong extent throughout the Redevelopment Area. Table 5 identifies the results of the structural rating process per building type.

TABLE 5
EXTERIOR SURVEY FINDINGS
VALUE ADDED REDEVELOPMENT AREA
GRAND ISLAND, NEBRASKA

Exterior Structural Rating

<u>Activity</u>	<u>Sound</u>	<u>Deficient (Minor)</u>	<u>Deteriorating</u>	<u>Dilapidated</u>	<u>Number of Structure</u>	<u>Deteriorating or Dilapidated</u>
Single Family	0	2	0	0	2	0
<u>Agricultural/Other</u>	<u>0</u>	<u>2</u>	<u>10</u>	<u>10</u>	<u>22</u>	<u>20</u>
Totals	0	4	10	10	24	20
Percent	0.0%	16.7%	41.7%	41.7%	100.0%	83.3%

Source: Hanna:Keelan Associates, P.C., 2007

(2) Existence of Defective or Inadequate Street Layout

The street pattern within the Grand Island Value Added Redevelopment Area consists of Wildwood and Schimmer Drives, bordering the Area on the south and north, respectively, and Blaine Street, running north to south through the center of the Redevelopment Area. The only existing roads within the Redevelopment Area are private gravel surfaced drives, which provide access to the hard surfaced Hall County roads for the farmsteads located within the Redevelopment Area. Major problem conditions that contribute to the Factor of existence of defective or inadequate street layout are discussed below.

1. Conditions of Rural Roads

The Redevelopment Area is primarily accessed by asphalt surfaced rural County roads, all of which were observed to be in “good” or “fair” condition. Generally, the Area has good access to transportation networks along its perimeter, but little or no access for motorized vehicles into the Area. Blaine Street, the main north-south road into the site, is a gravel surfaced County road with open storm water ditches. Periods of inclement weather, coupled with heavy truck traffic associated with farm vehicles and semi-trucks, during harvest, can be detrimental to unpaved road conditions. Lands identified for future value added industrial development (Ethanol Production Facility) typically need hard surfaced roads for access to processing facilities.

2. Lack of Adequate Access

The Redevelopment Area is not currently serviced by roads within the site of the proposed Ethanol Production Facility. Future development in the Area will require road improvements that include asphalt-surfaced access roads with integral concrete box culverts, small scale bridges and other road systems to allow the area to be accessible to semi-truck and other heavy machinery associated with an Ethanol Production Facility.

The St. Joseph Branch Railroad generally runs north to south along the western portion of Redevelopment Area #7, and Wildwood Drive, which connects to Highway 281, approximately one-half mile west of the Redevelopment Area, runs east to west along the southern border of the Area. A rail spur from the existing St. Joseph Branch Railroad tracks, into the Redevelopment Area, will enhance accessibility to markets for the proposed Ethanol Production Facility.

Conclusion

The existence of defective or inadequate street layout in the Redevelopment Area is present to a reasonable degree and constitutes a Blighted Factor.

(3) Faulty Lot Layout in Relation to Size, Adequacy, Accessibility or Usefulness

Building use and condition surveys, the review of property ownership and subdivision records and Field Survey resulted in the identification of conditions associated with faulty lot layout in relation to size, adequacy and accessibility, or usefulness of land within the Redevelopment Area. The problem conditions include:

1. Inadequate Lot Size

Large lot sizes and configurations are present throughout the Area. Generally, the Area is subdivided into three 160 acre tracts of un-platted land, with a farmstead adjacent the St. Joseph Branch Railroad corridor north of Schimmer Drive, and another on the north side of Wildwood Drive, east of Blaine Street.

No hard surfaced roads provide access from either Wildwood Drive or Blaine Street into the Redevelopment Area. The north/south St. Joseph Branch Railroad generally borders the proposed Ethanol Plant site along the western boundary of the Redevelopment Area. This further complicates the use, adequacy and accessibility of the individual parcels. Furthermore, some of the parcels are not supportive of standard agricultural practices, where farm equipment and potentially irrigation systems are not accessible to modern equipment, so their effectiveness is reduced.

Conclusion

Problems relating to faulty lot layout are present to a reasonable extent in the Redevelopment Area.

(4) Insanitary and Unsafe Conditions

The results of the Field Survey, along with information from various City and County departments, provided the basis for the identification of insanitary and unsafe conditions in the Grand Island Value Added Redevelopment Area.

1. Age of structure

The analysis of all 24 structures, in the Redevelopment Area, identified approximately 96 percent of the structures as being 40+ years of age, built prior to 1967. This results in the potential for substandard single family dwellings and associated agricultural outbuildings.

2. Dilapidated/Deteriorating Buildings

The deteriorating or dilapidated conditions cited in this Study were prevalent in existing structures (approximately 83% of all structures). The structures can harbor or promote hazards which endanger adjacent properties.

3. Existence of Debris

Two of the four large parcels, with excessive debris, are associated with abandoned farm outbuildings. These abandoned structures and adjacent areas with debris harbor pests and vermin, as well as being a threat to the health, safety and welfare of trespassers. The existence of these abandoned structures and associated areas with debris are a detriment to the appearance and development potentials of the Redevelopment Area.

4. Overall site condition

The Field Survey determined that 18 (69.2 percent) of the total 26 parcels had overall site conditions that were in “fair” condition and four (15.4 percent) in “poor” condition.

Conclusion

Insanitary and unsafe conditions are present to a strong extent throughout the Redevelopment Area.

(5) Deterioration of Site or Other Improvements

Field observations were conducted to determine the condition of site improvements within the Grand Island Value Added Redevelopment Area, including County Roads, storm water drainage ditches, traffic control devices and off-street parking. The **Appendix** documents the present condition of these improvements. The primary problems in the Redevelopment Area are age and condition of public utilities, debris and inadequate public improvements.

A total of 18, or 69.2 percent of the total 26 parcels, within the Redevelopment Area, received an overall site condition rating of “fair”, while four parcels (15.4 percent) received a “poor” rating, as per the results of the Field Survey.

All parcels within the Redevelopment Area currently lack municipal infrastructure and utility systems. Private wells and septic tanks handle the water and sewer needs for the existing properties on the proposed Ethanol Production Facility site. The developers of the Ethanol Production Facility would need to access municipal water and sewer services from the City of Grand Island, which maintains modern water and sewer mains adjacent the Redevelopment Area. Lands associated with agricultural production within the Redevelopment Area are located within Lamoure Clay Loam Soils associated with the Wood River bottom lands.

Conclusion

Deterioration of site or other improvements is present to a strong extent in the Redevelopment Area.

(6) Diversity of Ownership

The total number of unduplicated owners within the Redevelopment Area, is estimated to be nine individuals, partnerships or corporations. There are no publicly owned lands within the Area, with the exception of the Hall County road public right-of-ways.

Conclusion

Problems resulting from diversity of ownership are a reasonable presence in the Redevelopment Area.

(7) **Tax or Special Assessment Delinquency Exceeding the Fair Value of the Land**

A thorough examination of public records was conducted to determine the status of taxation of properties located in the Redevelopment Area. It should be noted, real estate is taxed at approximately 98 percent of fair value, rendering it almost impossible for a tax to exceed value in a steady real estate market. If a badly dilapidated property was assessed/valued too high, a public protest system is designed to give the owner appropriate relief and tax adjustment.

1. **Real estate taxes.**

Public records were examined for the purposes of determining if delinquent taxes currently outstanding on parcels within the Redevelopment Area. The records indicated that **none** of the parcels were classified as tax delinquent by Hall County.

2. **Real Estate Taxes**

The tax values within the Redevelopment Area generally appeared to be equal to or greater than the market value of the properties. **The total assessed valuation of properties was \$779,961.**

3. **Tax Exempt**

None of the lands associated with the Redevelopment Area were classified as tax exempt.

Conclusion

Examination and analysis of public records, leads to the conclusion that taxes or special assessments delinquency were of no presence throughout the Redevelopment Area.

(8) Defective or Unusual Condition of Title

Whenever land is sold, mortgaged, or both, a title insurance policy is typically issued, at which time any title defects corrected. Once title insurance has been written, all other titles in the same subdivision or addition will only have to be checked for the period of time subsequent to the creation of the addition or subdivision, as everything previous is the same and any defects will already have been corrected. Thus, the only possibility for title problems are from improper filings, since platting on properties that have not been mortgaged or sold is very small. Thus, the only possibility for title problems are from improper filing, since platting on properties that have not been mortgaged or sold is very small.

Conclusion

Examination of public records does not provide any basis for identifying any defective or unusual conditions of title. Such few conditions as may exist would contribute to neither any existing problems nor to difficulty in acquisition for redevelopment and are therefore not found to exist at a level nearly large enough to constitute a blighted factor in the Redevelopment Area.

(9) Improper Subdivision or Obsolete Platting

An analysis of the subdivision conditions in the Redevelopment Area indicates that improper subdivision and obsolete platting is prevalent throughout the Area.

The Redevelopment Area is subdivided into two large parcels of approximately 290 and 160 acres each, plus two farmstead sites in the northwest and the southeast. The land has not been subdivided or platted for any purpose other than agricultural uses. As such, the tracts of land within the Area remain large and without platted streets, in order to maximize the current, agricultural utilization of the land.

The above referenced issues are inhibiting factors to development and redevelopment efforts throughout the Redevelopment Area. Inadequately sized parcels and development without regard for existing platted subdivisions has and will continue to inhibit development without publicly supported programs that provide incentives for reinvestment in this Area.

Conclusion

A reasonable presence of improper subdivision or obsolete platting exists throughout the Redevelopment Area.

(10) The Existence of Conditions Which Endanger Life or Property by Fire and Other Causes

Specific data relating to the Redevelopment Area is discussed in the following paragraphs.

Approximately 96 percent of the structures in the Redevelopment Area were built prior to 1967, thus 40+ years of age. There are frame buildings and masonry buildings with wooden structural elements located throughout the Area, in need of structural repair or fire protection. Several of these buildings, 20 structures (or 83.3 percent), have been determined to be deteriorating or dilapidated.

Overall site conditions on properties throughout the Redevelopment Area were generally found to be in “fair” condition. The Field Survey determined that seven parcels, or 69.2 percent of the total 26 parcels, are in “fair” condition, while an additional four parcels (15.4 percent) were determined to be in “poor” condition. This overall condition rating includes the general condition of structures and an evaluation of the land with improvements, such as roads, private driveways, storm water drainage ditches and shelter belts.

Conclusion

The conditions which endanger life or property by fire and other causes are strongly present throughout the Redevelopment Area.

(11) Other Environmental and Blighting Factors

The Nebraska Community Development Law includes in its statement of purpose an additional criterion for identifying blight, viz., "economically or socially undesirable land uses." Conditions which are considered to be economically and/or socially undesirable include: (a) incompatible uses or mixed-use relationships, (b) economic obsolescence, and (c) functional obsolescence. For purpose of this analysis, functional obsolescence relates to the physical utility of a structure and economic obsolescence relates to a property's ability to compete in the market place. These two definitions are interrelated and complement each other.

No public improvements have occurred in the Redevelopment Area in the past several years. Efforts should be planned. Without some type of public assistance and coordination of effort, difficult challenges will be rendered for future private projects to be successful ventures. Numerous problems or obstacles exist for comprehensive redevelopment efforts by the private sector in the project area; problems that only public assistance programs can help remedy. These include removal of substantially dilapidated structures and socially undesirable land uses. These types of programs are proven stimulants to the creation of successful private developments.

Vacant parcels within the Redevelopment Area, lack modern municipal infrastructure and utility systems, including water and sewer systems. These utilities, however, are located adjacent the Area and could be extended into the Area upon annexation by the City. Lands associated with agricultural production, within the Redevelopment Area, are located within Lamoure Clay Loam Soils associated with the Wood River bottom lands.

The Redevelopment Area lacks the necessary infrastructure required to facilitate value-added developments. No hard surfaced roads provide access into the site. Open storm water drainage ditches exist and will need to be improved prior to development activities.

Conclusion

Other environmental, blighted factors are present to a reasonable extent throughout the Redevelopment Area. The Redevelopment Area also contains a fair amount of functionally obsolete structures.

(12) Additional Blighting Conditions

According to the definition set forth in the Nebraska Community Development Law, Section 18-2102, in order for an area to be determined "blighted" it must (1) meet the eleven criteria by reason of presence and (2) contain at least one of the five conditions identified below:

1. Unemployment in the designated blighted and substandard area is at least one hundred twenty percent of the state or national average;
2. The average age of the residential or commercial units in the area is at least 40 years;
3. More than half of the plotted and subdivided property in the area is unimproved land that has been within the City for forty years and has remained unimproved during that time;
4. The per capita income of the designated blighted and substandard area is lower than the average per capita income of the City or Village in which the area is designated;
or
5. The area has had either stable or decreasing population based on the last two decennial censuses.

One of the aforementioned criteria is prevalent throughout the designated blighted areas.

The average age of the residential or commercial units in the area is at least forty (40) years.

Based on the results of the Field Survey, **the estimated average age of the residential structures is 89.5 years of age.**

Conclusion

The criteria of one of five additional blighting conditions is average age of residential units is over 40 years of age and is strongly present throughout the Redevelopment Area.

DETERMINATION OF REDEVELOPMENT AREA ELIGIBILITY

The Grand Island Value Added Redevelopment Area meets the requirements of the Nebraska Community Development Law for designation as both a "blighted and substandard area." There is at least a reasonable distribution of all **four** Factors that constitute an area as substandard in the Redevelopment Area. Of the 12 possible Factors that can constitute an area blighted, **10** are at least reasonably present in the Area. Factors present in each of the criteria are identified below.

Substandard Factors

1. Dilapidated/deterioration.
2. Age or obsolescence.
3. Inadequate provision for ventilation, light, air, sanitation, or open spaces.
4. Existence of conditions which endanger life or property by fire and other causes.

Blighted Factors

1. A substantial number of deteriorated or deteriorating structures.
2. Existence of defective or inadequate street layout.
3. Faulty lot layout in relation to size, adequacy, accessibility or usefulness.
4. Insanitary or unsafe conditions.
5. Deterioration of site or other improvements.
6. Diversity of ownership.
7. Improper subdivision or obsolete platting.
8. The existence of conditions which endanger life or property by fire or other causes.
9. Other environmental and blighting factors.
10. One of the other five conditions.

Although all of the previously listed Factors are reasonably present throughout the Redevelopment Area, the conclusion is that the average age of the structures, lack of a modern infrastructure system, and the deterioration of site or other improvements are a sufficient basis for designation of the Redevelopment Area as blighted and substandard.

The extent of Blight and Substandard Factors in the Redevelopment Area addressed in this document are presented in **Tables 1 and 2**, located on **Pages 5 and 7**, respectively. The eligibility findings indicate the Redevelopment Area is in need of revitalization and strengthening to ensure it will contribute to the physical, economic and social well-being of the City of Grand Island. Indications are, the Area, on the whole, has not been subject to comprehensive, sufficient growth and development through investment by the private sector nor would the areas be reasonably anticipated to be developed without public action or public intervention.

APPENDIX

**Structural/Site Conditions
Survey Form**

Parcel # _____

Address: _____

Section I:

1. Type of Units: ___ SF ___ MF ___ Mixed Use ___ Duplex ___ No. of Units
2. Units: _____ Under construction/rehab _____ For Sale _____ Both
3. Vacant Units: _____ Inhabitable _____ Uninhabitable
4. Vacant Parcel: _____ Developable _____ Undevelopable
5. Non-residential Use: _____ Commercial _____ Industrial _____ Public
_____ Other/Specify: _____

Section II: Structural Components

	Primary Components	(Critical) Dilapidated	(Major) Deteriorating	Minor	None	Sound
1	Roof					
2	Wall Foundation					
3	Foundation					
___ Concrete ___ Stone ___ Rolled Asphalt ___ Brick ___ Other						
	Secondary Components	(Critical) Dilapidated	(Major) Deteriorating	Minor	None	Sound
4	Roof					
___ Asphalt Shingles ___ Rolled Asphalt ___ Cedar ___ Combination ___ Other						
5	Chimney					
6	Gutters, Downspouts					
7	Wall Surface					
___ Frame ___ Masonry ___ Siding ___ Combination ___ Stucco ___ Other						
8	Paint					
9	Doors					
10	Windows					
11	Porches, Steps, Fire Escape					
12	Driveways, Side Condition					

Final Rating:

___ Sound ___ Deficient-Minor ___ Deteriorating ___ Dilapidated

Built Within: ___ 1 year ___ 1-5 years ___ 5-10 years
___ 10-20 years ___ 20-40 years ___ 40-100 years ___ 100+ years

Section III: Revitalization Area

1. Adjacent Land Usage: _____
2. Street Surface Type: _____
3. Street Condition: ___ E ___ G ___ F ___ P
4. Sidewalk Condition: ___ N ___ E ___ G ___ F ___ P
5. Parking (Off-Street): ___ N ___ # of Spaces ___ Surface
6. Railroad Track/Right-of Way Composition: ___ N ___ E ___ G ___ F ___ P
7. Existence of Debris: ___ MA ___ MI ___ N
8. Existence of Vagrants: ___ MA ___ MI ___ N
9. Overall Site Condition: ___ E ___ G ___ F ___ P

**GRAND ISLAND, NEBRASKA VALUE ADDED REDEVELOPMENT AREA
BLIGHT/SUBSTANDARD DETERMINATION STUDY**

TOTAL PERCENT RESIDENTIAL COMMERCIAL INDUSTRIAL VACANT OTHER

AGE OF STRUCTURE

1-5 years	0	0.0%	0	0	0	NA	0
5-10 years	0	0.0%	0	0	0	NA	0
10-20 years	0	0.0%	0	0	0	NA	0
20-40 years	1	4.2%	0	0	0	NA	1
40-100 years	19	79.2%	2	0	0	NA	17
100+ years	4	16.7%	0	0	0	NA	4
TOTAL	24	100.0%	2	0	0	NA	22

FINAL STRUCTURAL RATING

sound	0	0.0%	0	0	0	NA	0
deficient minor	4	16.7%	2	0	0	NA	2
deteriorating	10	41.7%	0	0	0	NA	10
dilapidated	10	41.7%	0	0	0	NA	10
TOTAL	24	100.0%	2	0	0	NA	22

STREET CONDITION

none	0	0.0%	0	0	0	0	0
excellent	0	0.0%	0	0	0	0	0
good	26	100.0%	2	0	0	2	22
fair	0	0.0%	0	0	0	0	0
poor	0	0.0%	0	0	0	0	0
TOTAL	26	100.0%	2	0	0	2	22

SIDEWALK CONDITION

none	26	100.0%	2	0	0	2	22
excellent	0	0.0%	0	0	0	0	0
good	0	0.0%	0	0	0	0	0
fair	0	0.0%	0	0	0	0	0
poor	0	0.0%	0	0	0	0	0
TOTAL	26	100.0%	2	0	0	2	22

DEBRIS

major	0	0.0%	0	0	0	0	0
minor	9	34.6%	0	0	0	1	8
none	17	65.4%	2	0	0	1	14
TOTAL	26	100.0%	2	0	0	2	22

OVERALL SITE CONDITION

excellent	0	0.0%	0	0	0	0	0
good	4	15.4%	1	0	0	0	3
fair	18	69.2%	1	0	0	1	16
poor	4	15.4%	0	0	0	1	3
TOTAL	26	100.0%	2	0	0	2	22

**GRAND ISLAND, NEBRASKA VALUE ADDED REDEVELOPMENT AREA
BLIGHT/SUBSTANDARD DETERMINATION STUDY**

TOTAL PERCENT RESIDENTIAL COMMERCIAL INDUSTRIAL VACANT OTHER

DOORS

sound	5	20.8%	2	0	0	N/A	3
none	1	4.2%	0	0	0	N/A	1
minor	12	50.0%	0	0	0	N/A	12
substandard	5	20.8%	0	0	0	N/A	5
critical	1	4.2%	0	0	0	N/A	1
TOTAL	24	100.0%	2	0	0		22

WINDOWS

sound	6	25.0%	2	0	0	N/A	4
none	4	16.7%	0	0	0	N/A	4
minor	9	37.5%	0	0	0	N/A	9
substandard	4	16.7%	0	0	0	N/A	4
critical	1	4.2%	0	0	0	N/A	1
TOTAL	24	100.0%	2	0	0		22

STREET TYPE

none	0	0.0%	0	0	0	0	0
concrete	0	0.0%	0	0	0	0	0
asphalt	26	100.0%	2	0	0	2	22
gravel	0	0.0%	0	0	0	0	0
dirt	0	0.0%	0	0	0	0	0
brick	0	0.0%	0	0	0	0	0
TOTAL	26	100.0%	2	0	0	2	22

PORCHES...

sound	0	0.0%	0	0	0	N/A	0
none	0	0.0%	0	0	0	N/A	0
minor	9	37.5%	2	0	0	N/A	7
substandard	14	58.3%	0	0	0	N/A	14
critical	1	4.2%	0	0	0	N/A	1
TOTAL	24	100.0%	2	0	0		22

PAINT

sound	3	12.5%	1	0	0	N/A	2
none	3	12.5%	0	0	0	N/A	3
minor	10	41.7%	1	0	0	N/A	9
substandard	5	20.8%	0	0	0	N/A	5
critical	3	12.5%	0	0	0	N/A	3
TOTAL	24	100.0%	2	0	0		22

DRIVEWAY

sound	0	0.0%	0	0	0	N/A	0
none	0	0.0%	0	0	0	N/A	0
minor	3	12.5%	0	0	0	N/A	3
substandard	20	83.3%	2	0	0	N/A	18
critical	1	4.2%	0	0	0	N/A	1
TOTAL	24	100.0%	2	0	0		22

**GRAND ISLAND, NEBRASKA VALUE ADDED REDEVELOPMENT AREA
BLIGHT/SUBSTANDARD DETERMINATION STUDY**

TOTAL PERCENT RESIDENTIAL COMMERCIAL INDUSTRIAL VACANT OTHER

ROOF STRUCTURE

sound	0	0.0%	0	0	0	N/A	0
none	0	0.0%	0	0	0	N/A	0
minor	17	70.8%	2	0	0	N/A	15
substandard	6	25.0%	0	0	0	N/A	6
critical	1	4.2%	0	0	0	N/A	1
TOTAL	24	100.0%	2	0	0		22

WALL FOUNDATION

sound	1	4.2%	1	0	0	N/A	0
none	0	0.0%	0	0	0	N/A	0
minor	18	75.0%	1	0	0	N/A	17
substandard	4	16.7%	0	0	0	N/A	4
critical	1	4.2%	0	0	0	N/A	1
TOTAL	24	100.0%	2	0	0		22

FOUNDATION

sound	10	41.7%	2	0	0	N/A	8
none	0	0.0%	0	0	0	N/A	0
minor	9	37.5%	0	0	0	N/A	9
substandard	4	16.7%	0	0	0	N/A	4
critical	1	4.2%	0	0	0	N/A	1
TOTAL	24	100.0%	2	0	0		22

FOUNDATION TYPE

Concrete	22	91.7%	2	0	0	N/A	20
Stone	2	8.3%	0	0	0	N/A	2
Rolled Asphalt	0	0.0%	0	0	0	N/A	0
Brick	0	0.0%	0	0	0	N/A	0
Other	0	0.0%	0	0	0	N/A	0
None	0	0.0%	0	0	0	N/A	0
TOTAL	24	100.0%	2	0	0		22

ROOF SURFACE

sound	3	12.5%	2	0	0	N/A	1
none	0	0.0%	0	0	0	N/A	0
minor	12	50.0%	0	0	0	N/A	12
substandard	8	33.3%	0	0	0	N/A	8
critical	1	4.2%	0	0	0	N/A	1
TOTAL	24	100.0%	2	0	0		22

ROOF TYPE

Asphalt Shingles	15	62.5%	2	0	0	N/A	13
Rolled Asphalt	0	0.0%	0	0	0	N/A	0
Cedar	2	8.3%	0	0	0	N/A	2
Combination	0	0.0%	0	0	0	N/A	0
Other	7	29.2%	0	0	0	N/A	7
TOTAL	24	100.0%	2	0	0		22

**GRAND ISLAND, NEBRASKA VALUE ADDED REDEVELOPMENT AREA
BLIGHT/SUBSTANDARD DETERMINATION STUDY**

TOTAL PERCENT RESIDENTIAL COMMERCIAL INDUSTRIAL VACANT OTHER

CHIMNEY

sound	2	8.3%	2	0	0	N/A	0
none	22	91.7%	0	0	0	N/A	22
minor	0	0.0%	0	0	0	N/A	0
substandard	0	0.0%	0	0	0	N/A	0
critical	0	0.0%	0	0	0	N/A	0
TOTAL	24	100.0%	2	0	0		22

GUTTER, DOWNSPOUTS

sound	1	4.2%	1	0	0	N/A	0
none	22	91.7%	0	0	0	N/A	22
minor	1	4.2%	1	0	0	N/A	0
substandard	0	0.0%	0	0	0	N/A	0
critical	0	0.0%	0	0	0	N/A	0
TOTAL	24	100.0%	2	0	0		22

WALL SURFACE

sound	4	16.7%	2	0	0	N/A	2
none	0	0.0%	0	0	0	N/A	0
minor	12	50.0%	0	0	0	N/A	12
substandard	7	29.2%	0	0	0	N/A	7
critical	1	4.2%	0	0	0	N/A	1
TOTAL	24	100.0%	2	0	0		22

WALL SURFACE TYPE

Frame	18	75.0%	0	0	0	N/A	18
Masonry	1	4.2%	0	0	0	N/A	1
Siding	3	12.5%	1	0	0	N/A	2
Combination	0	0.0%	0	0	0	N/A	0
Stucco	0	0.0%	0	0	0	N/A	0
Other	2	8.3%	1	0	0	N/A	1
TOTAL	24	100.0%	2	0	0		22

PARKING SURFACE

none	2	7.7%	0	0	0	1	1
concrete	0	0.0%	0	0	0	0	0
asphalt	0	0.0%	0	0	0	0	0
gravel	23	88.5%	2	0	0	0	21
dirt	1	3.8%	0	0	0	1	0
brick	0	0.0%	0	0	0	0	0
TOTAL	26	100.0%	2	0	0	2	22

PARKING SPACES

none	2	7.7%	0	0	0	1	1
1 to 2	24	92.3%	2	0	0	1	21
3 to 5	0	0.0%	0	0	0	0	0
6 to 10	0	0.0%	0	0	0	0	0
11 to 20	0	0.0%	0	0	0	0	0
21 or more	0	0.0%	0	0	0	0	0
TOTAL	26	100.0%	2	0	0	2	22

Grand Island Value Added Redevelopment Area
Blight and Substandard Determination Study

GENERAL REDEVELOPMENT PLAN

B. GENERAL REDEVELOPMENT PLAN

EXECUTIVE SUMMARY

Purpose of Plan/Conclusion

The purpose of this General Redevelopment Plan is to serve as a guide for implementation of redevelopment activities within the **Value Added Redevelopment Area, in Grand Island, Nebraska**. Redevelopment activities associated with the Community Development Law, State Statutes, 18-2101 through 18-2154 should be utilized to promote the general welfare, enhance the tax base and the economic and social well being of the Community, and promote the development of any public activities and public events in the Area, along with any and all other purposes, as outlined in the Community Development Law.

A Community Redevelopment Authority (CRA) General Redevelopment Plan must contain the general planning elements required by Nebraska State Revised Statutes, Section 18-2111 re-issue 1991 items (1) through (6). A description of these items are as follows:

- (1) The boundaries of the redevelopment project area with a map showing the existing uses and condition of the real property therein; (2) a land-use plan showing proposed uses of the area; (3) information showing the standards of population densities, land coverage and building intensities in the area after redevelopment; (4) a statement of the proposed changes, if any, in zoning ordinances or maps, street layouts, street levels or grades, or building codes and ordinances; (5) a site plan of the area; and (6) a statement as to the kind and number of additional public facilities or utilities which will be required to support the new land uses in the area after redevelopment.

Furthermore, the General Redevelopment Plan must further address the items required under Section 18-2113, "Plan; considerations", which the CRA must consider prior to recommending a redevelopment plan to the Planning Commission and City Council for adoption. These "considerations" are defined as follows:

"...whether the proposed land uses and building requirements in the redevelopment project area are designed with the general purpose of accomplishing, in conformance with the general plan, a coordinated, adjusted and harmonious development of the City and its environs which will, in accordance with present and future needs, promote health, safety, morals, order, convenience, prosperity, and the general welfare, as well as efficiency and economy in the process of development; including,

among other things, adequate provision for traffic, vehicular parking, the promotion of safety from fire, panic, and other dangers, adequate provision for light and air, the promotion of the healthful and convenient distribution of population, the provision of adequate transportation, water, sewage, and other public utilities, schools, parks, recreational and community facilities and other public requirements, the promotion of sound design and arrangement, the wise and efficient expenditure of public funds, and the prevention of the recurrence of insanitary or unsafe dwelling accommodations, or conditions of blight."

Conclusion

The General Redevelopment Plan applies to the Value Added Redevelopment Area, which consists of the Area included in the Blight and Substandard Area Determination Study.

The findings presented in this Blight and Substandard Determination Study are based on surveys and analyses conducted for the, **Redevelopment Area**. In general, the Redevelopment Area consists of an area in the southern portion of Grand Island, adjacent the City's Corporate Limits, along the Highway 281 corridor. The Area is located between Schimmer and Wildwood Drives and is bound on the west by the St. Joseph Branch Railroad, which is located approximately one-half mile east of Highway 281, in Hall County, Nebraska. Beginning at the intersection of the east line of Blaine Street and the north line of Schimmer Drive West, thence south along said east line to its intersection with the north line of the southwest quarter of Section 4, Township 11 North, Range 9 West, of the 6th Principle Meridian, thence east along said north line to its intersection with the east line of the southwest quarter of Section 4, Township 11 North, Range 9 West, of the 6th Principle Meridian, thence south along said east line to its intersection with the south line of Wildwood Drive West, thence west along said south line to its intersection with the west line of the St. Joseph Branch Railroad right-of-way, thence north to the north line of Schimmer Drive West, and continuing north along the west line of the St. Joseph Branch Railroad right-of-way approximately 660' (or one-eighth of a mile), thence east approximately 660' and south approximately 660' to the north line of Schimmer Drive West, thence east along said north line to its intersection with the east line of Blaine Street, also the point of beginning.

Illustration 1 delineates the Area in relation to the City of Grand Island. The Redevelopment Area is an estimated 498.5 acres, and includes the right-of-ways of the St. Joseph Branch Railroad and Hall County roads.

Conclusion

The redevelopment planning process for the Redevelopment Area resulted in a comprehensive listing of general planning and implementation recommendations. As previously discussed in the Blight and Substandard Determination Study, there are two major land uses (vacant/agricultural and two farmsteads), with structural and substandard conditions that are nonconforming in nature, detrimental to the health, safety and general welfare of the Community and generally obsolete in respect to the development and living environmental norms of today's Nebraska communities, including the City of Grand Island. To eliminate these conditions and enhance private development activities within the Redevelopment Area, the City of Grand Island needs to endorse the following general planning and redevelopment actions:

- 1. Rezone the Redevelopment Area to conform to the City of Grand Island's Industrial Zoning Regulations.**
- 2. Upgrading of bridges, culverts and storm water drainage ditches to facilitate development in the Redevelopment Area.**
- 3. Reconfiguration of intersections along Hall County roads to provide adequate turning lanes, road widths and sufficient right-of-ways, to support anticipated volumes of truck traffic to the proposed Ethanol Production Facility.**
- 4. Extend municipal water and sanitary sewer systems from the perimeter of the Redevelopment Area into the proposed Ethanol Production Facility site and maintain and/or replace the current electrical system in the Area.**
- 5. Removal of abandoned and dilapidated structures and associated debris.**
- 6. Create a partnership with the State and Hall County to facilitate the needed road and intersection improvements, as well as for the extension of all appropriate utilities to service the Area.**
- 7. Remove excessive debris from the Redevelopment Area. Parcels with excessive debris exist in specific locations of the Redevelopment Area.**
- 8. Develop a plan for the screening and/or buffering of industrial sites with outside storage of materials from the view along Wildwood and Schimmer Drives.**

9. **Capture property taxes through the provision of Tax Increment Financing. Capture the annual increase in the total tax base throughout the Redevelopment Area. This will establish a source of funding for public improvements including, but not limited to, infrastructure needs such as water, sewer streets and sidewalks, parking improvements and general landscaping and signage enhancements.**

Implementation

Both a time-line and budget should be developed for the implementation of the Redevelopment Plan. Each of these processes should be designed in conformance with the resources and time available to the City. A reasonable time-line to complete the redevelopment activities identified in the Plan would be five to 10 years.

Various funding sources exist for the preparation and implementation of a capital improvement budget designed to meet the funding needs of proposed redevelopment activities. These include City and federal funds commonly utilized to finance street improvement funds, i.e. Community Development Block Grants, special assessments, general obligation bonds and Tax Increment Financing (TIF). The use of TIF for redevelopment projects in the Redevelopment Area is deemed to be an essential and integral element of the Redevelopment Area and use of TIF in connection with such projects is contemplated by the Plan and such designation and use of TIF will not constitute a substantial modification to the Plan.

The City agrees, when approving the Plan, to the utilization of TIF by the Grand Island Community Redevelopment Authority for redevelopment projects and agrees to pledge the taxes generated in redevelopment projects for such purposes in accordance with the Act.

Any redevelopment program receiving TIF is subject to a Cost Benefit Analysis. TIF, as a source of public financing, ultimately impacts taxing authorities in the City of Grand Island and Hall County. Proposed redevelopment projects using TIF must meet the cost benefit analysis and the "But For" test. Accordingly, "**But for TIF**" a redevelopment project could not be fully executed and constructed in the Community.

1. Future Land Use Patterns

The existing land use patterns within the Redevelopment Area were depicted in **Illustration 2** and described, in detail, in the Blight and Substandard Determination Study. In general, the Redevelopment Area consists of three land use types. The primary land uses are vacant/agricultural, farmstead and right-of-ways of the Highway and Railroad corridors.

Illustration 4, Future Land Use Map, recommends land uses that stimulate future growth opportunities in the Redevelopment Area, while creating compatible land uses resulting in the efficient use of the physical features of the landscape. The recommended future land use classifications are generally in conformance with the "City of Grand Island Comprehensive Plan."

In the Future Land Use Map, "value-added" agricultural/industrial land uses are recommended to be utilized throughout the Redevelopment Area, except for the portion of the Area containing the farmstead north of Schimmer Drive, which is recommended for large lot single family residential development. Additional railway and road access corridors will need to be constructed within the Area, and the existing Blaine Street will need to be paved and upgraded to support heavy truck traffic associated with the proposed Ethanol Production Facility.

It is recommended that substantially deteriorated structures, throughout the Redevelopment Area, and those too deteriorated to rehabilitate, be replaced with new "value-added" industrial uses in conformance with the Future Land Use Map.

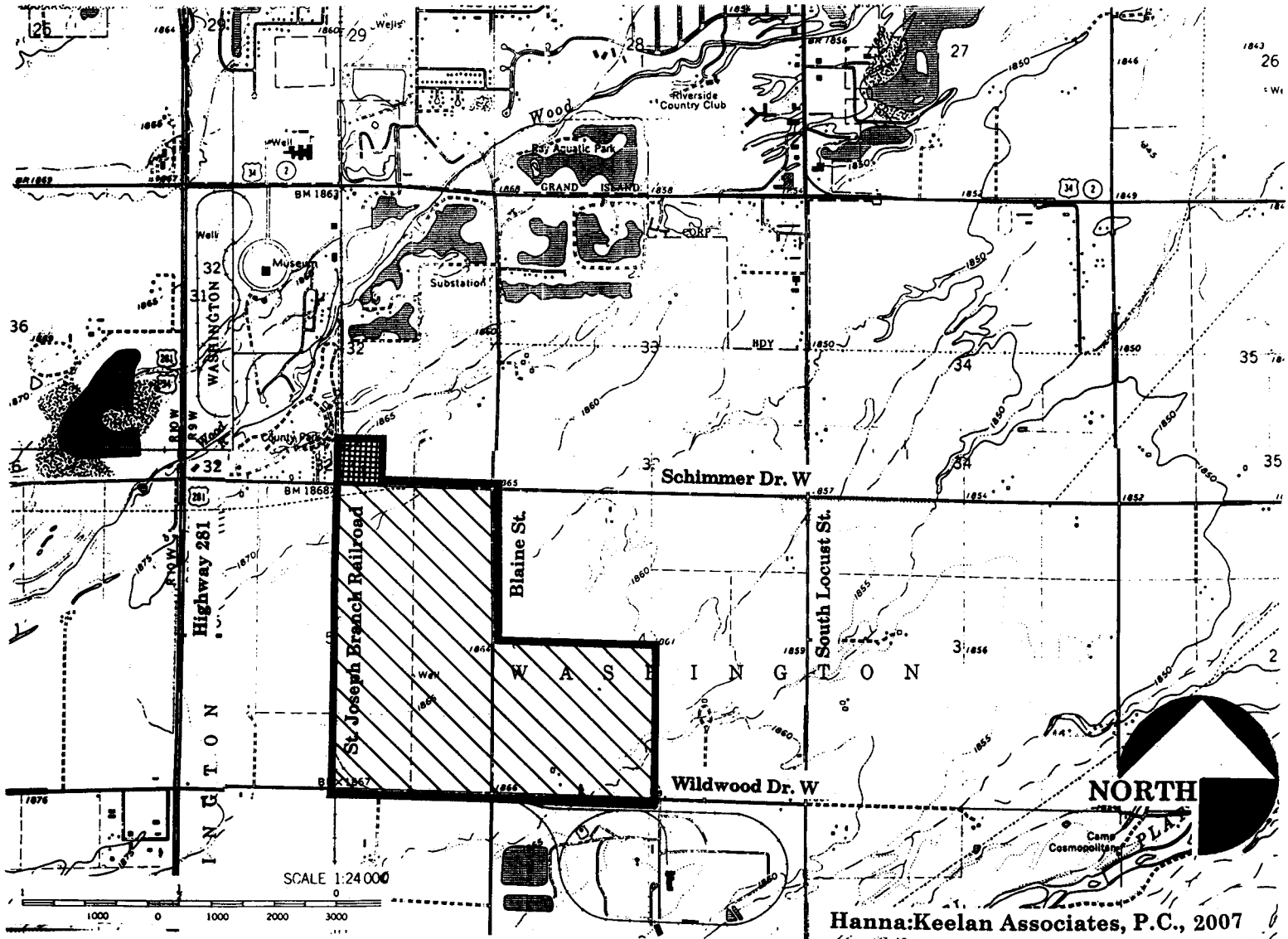
2. Future Zoning Districts

The Existing Zoning Map, **Illustration 3**, indicates that the entire Value Added Redevelopment Area is within the City of Grand Island's Planning Jurisdiction and is currently zoned A-2 Agricultural and TA Transitional Agricultural, according to information provided by the City of Grand Island Planning Office. The City of Grand Island has annexed the portion of the Redevelopment Area that the proposed Ethanol Production Facility will utilize, however, two zoning classifications including TA Transitional Agricultural and AG-2 Secondary Agricultural are utilized to control development options within the Area. It is recommended that the City rezone the entire area to one zoning classification that permits the Ethanol Facility as a Principle Permitted Use. Currently, only the AG-2 allows ethanol facilities as a Specially Permitted Use. The site is recommended to be re-zoned an industrial zoning classification in which ethanol facilities are permitted. This will require a Public Hearing by both the City Planning Commission and the City Council.

The recommended Future Zoning Map, for the Redevelopment Area, is identified in **Illustration 5** of this General Redevelopment Plan.

The City of Grand Island currently has four industrial zoning districts: M-1 Light Manufacturing, M-2 Heavy Manufacturing, M-3 Mixed Use Manufacturing and ME Industrial Estates. The City will need to select one of these zoning districts to apply to the proposed Ethanol Production Facility site. The City may need to amend the selected zoning district to allow the proposed Facility as a permissive use. Often, financial institutions and investment companies require that properties in which they have holdings be a permissive use within the zoning district, as opposed to a conditional or special use permit, in case, for one reason or another, the conditional or special use permit be pulled or revoked in the future.

FUTURE LAND USE MAP VALUE ADDED REDEVELOPMENT AREA GRAND ISLAND, NEBRASKA



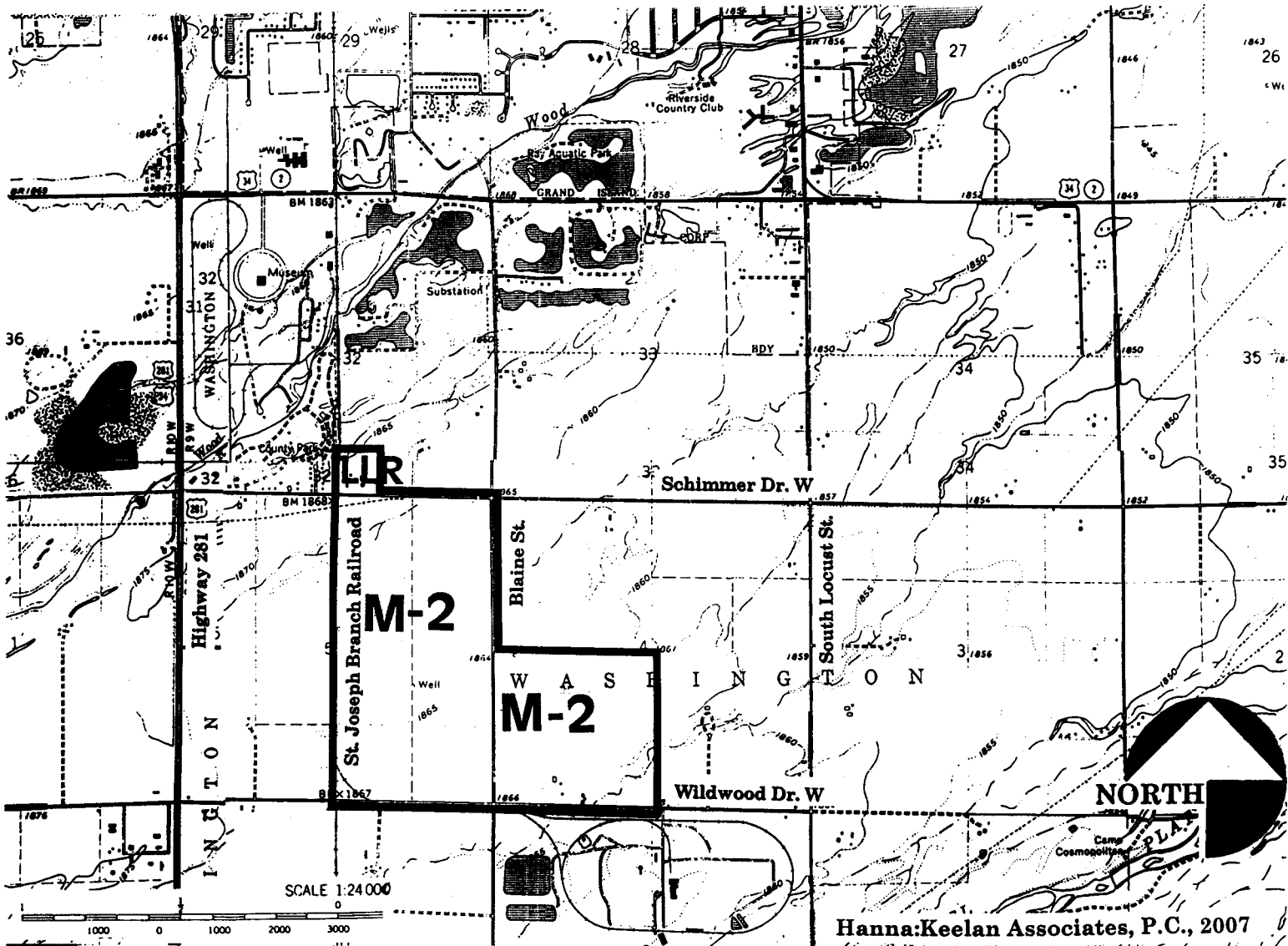
LEGEND

-  HEAVY INDUSTRIAL
-  LARGE LOT RESIDENTIAL

ILLUSTRATION 4

Grand Island Value Added Redevelopment Area
General Redevelopment Plan

FUTURE ZONING MAP VALUE ADDED REDEVELOPMENT AREA GRAND ISLAND, NEBRASKA



LEGEND

- M-2** HEAVY MANUFACTURING DISTRICT
- LLR** LARGE LOT RESIDENTIAL

ILLUSTRATION 5

Grand Island Value Added Redevelopment Area
General Redevelopment Plan

3. Recommended Public Improvements

The primary purpose for a General Redevelopment Plan, accompanied with the Blight and Substandard Determination Study, is to allow for the use of public financing in a specific area. This public financing is planned and implemented to serve as a "first step" for public improvements and encourage private development within the Redevelopment Area. The most common form of public improvements occur with infrastructure, specifically roads, water, sanitary sewer and storm sewer systems, and recreational uses. The primary infrastructure concerns in the Redevelopment Area are road improvements, and the need for improvements and extensions of underground water, storm water and sanitary sewer systems.

The Redevelopment Area contains conditions that would benefit from public improvements and private redevelopment. The Area is currently comprised of two farmsteads and vacant/agricultural uses, which are bound on the south by Wildwood Drive, and Schimmer Drive on the north, both of which connect to Highway 281, approximately one-half mile west of Redevelopment Area #7. The St. Joseph Branch Railroad corridor serves as the Area's western boundary. Blaine Street serves as a main north-south arterial within the Redevelopment Area, connecting the northern and southern boundaries of the Area. Primary redevelopment activities should focus on extending municipal water, sewer and electrical systems to support industrial development.

The Field Survey indicated that most portions of the arterial roads are in "good" or "fair" condition. However, to facilitate industrial development, roads providing access into the Area will need to be hard surfaced to support heavy truck traffic. Blaine Street, the main north-south road in the Area, is presently a gravel surfaced county road, with open storm water ditches along the sides. Wildwood Drive may need to be widened at appropriate road and highway intersections to allow designated turning lanes for semi-truck traffic associated with the Ethanol Processing Facility.

Conclusions

The Grand Island Community Redevelopment Authority (CRA) and the City of Grand Island should seek funding sources to create a revolving loan and/or grant program for the rehabilitation infrastructure and improvement of utility services and public uses in the Redevelopment Area. To encourage development, the Consultant recommends investment in all mechanical infrastructure systems, throughout the entire Redevelopment Area. Prior to the transportation network improvements, the City and the CRA should develop a plan in conjunction with the City's Capital Improvement Plan and the One- and Six-Year Street Plan, to accommodate efficient infrastructure development and improvements.

The combination of the recommendations listed above are to aid the City of Grand Island and the CRA in creating a viable and sustainable living environment in this central Nebraska community, under the general provisions of the Nebraska Community Development Law, Chapter 18, Article 21 of the Statutes of State of Nebraska. This Plan does not intend the displacement of families or persons residing in the Area. If necessary for proper redevelopment activities, the City will conduct the necessary relocation of property owners.

The following identifies estimated costs for the improvement of various infrastructure features in Redevelopment Area.

Normal Street Replacement

Costs are dependent on street width and thickness of pavement or overlay. Concrete paving of 6" thick with integral curbs costs an estimated \$45 per square yard. Asphalt overlay has a cost of \$3 per square yard, per inch of thickness of asphalt overlay.

The cost to construct a 6" thick, 30' wide concrete street is \$150 per linear foot

The cost to construct a 6" thick, 60' wide concrete street is \$300 per linear foot

The cost to construct a 2" thick, 30' wide asphalt overlay is \$20 per linear foot

The cost to construct a 2" thick, 60' wide asphalt overlay is \$40 per linear foot

<u>Ramped Curb Cuts</u>	<u>Sanitary Sewer</u>
\$1,250 each	\$50 to \$60 per linear foot
<u>Water Valves</u>	<u>Fire Hydrants</u>
\$750 each	\$2,500 each

Overlay of Parking Lots
Asphalt overlay costs \$3 per square yard per inch of thickness of asphalt overlay.
Therefore the cost of a 2" overlay of a 150' x 150' parking lot is \$15,000.

Paved Alleys

The cost for paved alleys is dependent on alley width and pavement thickness. A 6" thick concrete alley would cost \$45 per square yard.

The cost of a 6" thick, 16' wide concrete alley is \$80 per linear foot.

The cost of a 6" thick, 20' wide concrete alley is \$100 per linear foot.

Storm Sewers

The cost of Storm Sewers is dependent upon the size of the storm sewer pipe and on the number of inlets required. A breakdown of approximate unit prices is as follows:

15" RCP costs \$22 per linear foot	18" RCP costs \$26 per linear foot
24" RCP costs \$35 per linear foot	30" RCP costs \$44 per linear foot
36" RCP costs \$52 per linear foot	42" RCP costs \$61 per linear foot
48" RCP costs \$70 per linear foot	Inlets cost and estimated \$2,500 each

Therefore, assuming 470 linear feet of 30" storm sewer and four inlets per block, a block of storm sewer would cost approximately \$30,680.

This General Redevelopment Plan identifies several community and economic development activities for the entire Redevelopment Area, in Grand Island, Nebraska. The major components of this General Redevelopment Plan will be accomplished as individual projects, however, a comprehensive redevelopment effort is recommended. Just as the redevelopment efforts should be tied together, so should the funding sources to ensure a complete project. The use of state and federal monies, local equity and tax incentives coupled with private funding sources, can be combined for a realistic and feasible funding package. The following provides a summary listing of the types of funding to assist in implementing this General Redevelopment Plan. Each selected redevelopment project should be accompanied with a detailed budget of both sources and uses of various funds.

Building Improvement District
Tax Increment Financing
LB 840 or LB 1240
Historic Preservation Tax Credits
Low Income Housing Tax Credits
Sales Tax
Community Development Block Grants - Re-Use Funds
Local Lender Financing
Owner Equity
Small Business Association-Micro Loans
Community Assistance Act
Donations and Contributions
Intra-modal Surface Transportation Efficiency Act

Private Foundations

American Express Foundation
Kellogg Corporate Giving Program
Marietta Philanthropic Trust
Monroe Auto Equipment Company Foundation
Norwest Foundation
Piper, Jaffray & Hopwood Corporate Giving
Target Stores Corporate Giving
Pitney Bowes Corporate Contributions
Union Pacific Foundation
US West Foundation
Woods Charitable Fund, Inc.
Abel Foundation
ConAgra Charitable Fund, Inc.
Frank M. and Alice M. Farr Trust
Hazel R. Keene Trust
IBP Foundation, Inc.
Mid-Nebraska Community Foundations, Inc.
Northwestern Bell Foundation
Omaha World-Herald Foundation
Peter Kiewit and Sons Inc. Foundation
Thomas D. Buckley Trust
Valmont Foundation
Quivey-Bay State Foundation