



City of Grand Island

Tuesday, December 8, 2015

Council Session

Item H-1

**Consideration of Forwarding Blighted and Substandard Area #19
(Mark Otto – Premier Home Sales) to the Hall County Regional
Planning Commission**

Staff Contact: Chad Nabity

Council Agenda Memo

From: Chad Nabity, AICP

Meeting: December 8, 2015

Subject: Proposed Blighted and Substandard Area #19

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

Background

Enclosed you will find a copy of a Substandard and Blight Study as prepared for Mark Otto by Marvin Planning Consultants. This study is for approximately 11.94 acres of property in southeast Grand Island located north of U.S. Highway 34 and east of Locust Street. The study as prepared and submitted indicates that this property could be considered substandard and blighted. The full study is attached for your review and consideration.

Mr. Otto has submitted this study for the review and consideration of the Grand Island City Council as permitted by Nebraska law. Mr. Otto is representing persons proposing to purchase property in this area and would proceed with further development of the property if the area can be declared blighted and substandard. The decision on whether to declare an area substandard and blighted is entirely within the jurisdiction of the City Council with a recommendation from the Planning Commission.

The question before Council will be whether to send the Study to the Planning Commission for their review and feedback. If the item is not sent to the Planning Commission the Council cannot declare the area substandard and blighted. Planning Commission will meet on January 6 and would have a recommendation ready following that meeting.

Once an area has been declared substandard and blighted the CRA can accept redevelopment proposals for the area that might or might not include an application for Tax Increment Financing. Should this be approved you can anticipate that Mr. Otto and his investors will submit an application for TIF to assist with the costs associated with fully developing this property.

Discussion

The action item tonight relate to the Study for proposed CRA Area No. 19 in southeast Grand Island as shown below. The study was prepared for 11.94 acres, of all of which are in the Grand Island City Limits. This property was not included with the adjacent Area 2 in 1999-2000 because it was not in the city limits at that time.



Robert Sivick, City Attorney has reviewed the Nebraska Statutes and case law pertaining to the declaration of property as blighted and substandard. His comments on this application are as follows:

The statutory procedures for accomplishing blight relief include the following steps: (1) the identification of a community redevelopment area consisting of portions of a city declared to be substandard or blighted in accordance with statutory definitions

and in need of redevelopment, (2) the formulation of a redevelopment plan for such area or a redevelopment project within such area, and (3) the implementation of the redevelopment plan through various means including acquisition, sale, leasing, and contracting for redevelopment. Nebraska Revised State Statutes (NRSS) 18-2103, 18-2107, and 18-2109.

Under this statutory scheme, the governing body shall afford maximum opportunity consistent with the sound needs of the city as a whole to the rehabilitation or redevelopment of the community redevelopment area by private enterprise. A private development project would be eligible for tax increment financing only if it is included within an area which has previously been declared blighted or substandard and is in furtherance of an existing redevelopment plan for that area. The declaration of property as blighted or substandard is not simply a formality which must be met in order to assist a private developer with tax increment financing; it is the recognition of a specific public purpose which justifies the expenditure of public funds for redevelopment. See *Monarch Chemical Works, Inc. v. City of Omaha*, 203 Neb. 33, 277 N.W.2d 423 (1979), *Fitzke v. Hastings*, 255 NEB 46 (1998)

At this point, Council is only considering point 1 of Mr. Sivick's opinion. According to NRSS §18-2109, it is clear that the Planning Commission must have the opportunity to review the Blight Study prior to Council declaring the property substandard and blighted. If Council wishes to consider a declaration of substandard and blight, State Statute requires that the question of whether an area is substandard and blighted is submitted to the Planning Commission for its review and recommendation.

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

Blighted Area of the Community

The city of Grand Island, as a City of the First Class, is permitted to designate an area of up to 35% of the municipal limits as blighted and substandard. As of December 1, 2015, 19.78% of the City has been declared blighted and substandard. Area 19 would add another 0.06% bringing the total area declared to 19.84%. The CRA commissioned a study of the Veteran's Home property (Proposed Area 16) that covered 530 acres and would if approved add 2.77% to the total declared blighted and substandard. If both areas were to be approved and there are no changes in the city limits or areas declared blighted and substandard 22.61% of the city would be declared blighted and substandard.

It does not appear that the declaration of Area 19 would significantly impact the City's ability to declare other areas substandard and blighted.

Alternatives

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

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

Recommendation

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

Sample Motion

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



Grand Island, Nebraska Blight and Substandard Study - Area 19



PURPOSE OF THE BLIGHT AND SUBSTANDARD STUDY

The purpose of completing this Blight and Substandard study is to examine existing conditions within a specific part of Grand Island. This study has been commissioned by the Mark Otto in order to analyze the possibility of declaring the area as blighted and substandard.

The City of Grand Island, when considering conditions of Blight and Substandard, will be looking at those issues and definitions provided for in the Nebraska Community Redevelopment Law as found in Chapter 18, Section 2104 of the Revised Nebraska State Statutes, as follows:

"The governing body of a city, to the greatest extent it deems to be feasible in carrying out the provisions of Sections 18-2101 to 18-2144, shall afford maximum opportunity, consistent with sound needs of the city as a whole, to the rehabilitation or redevelopment of the community redevelopment area by private enterprises. The governing body of a city shall give consideration to this objective in exercising its powers under sections 18-2101 to 18-2144, including the formulation of a workable program, the approval of community redevelopment plans consistent with the general plan for the development of the city, the exercise of its zoning powers, the enforcement of other laws, codes, and regulations relating to the use and occupancy of buildings and improvements, the disposition of any property acquired, and providing of necessary public improvements".

The Nebraska Revised Statutes §18-2105 continues by granting authority to the governing body for formulation of a workable program. The statute reads,

"The governing body of a city or an authority at its direction for the purposes of the Community Development Law may formulate for the entire municipality a workable program for utilizing appropriate private and public resources to eliminate or prevent the development or spread of urban blight, to encourage needed urban rehabilitation, to provide for the redevelopment of substandard and blighted areas, or to undertake such of the aforesaid activities or other feasible municipal activities as may be suitably employed to achieve the objectives of such workable program. Such workable program may include, without limitation, provision for the prevention of the spread of blight into areas of the municipality which are free from blight through diligent enforcement of housing, zoning, and occupancy controls and standards; the rehabilitation or conservation of substandard and blighted areas or portions thereof by replanning, removing congestion, providing parks, playgrounds, and other public improvements by encouraging voluntary rehabilitation and by compelling the repair and rehabilitation of deteriorated or deteriorating structures; and the clearance and redevelopment of substandard and blighted areas or portions thereof."

Blight and Substandard are defined as the following:

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

"Blighted area means an area, which (a) by reason of the presence of a substantial number of deteriorated or deteriorating structures, existence of defective or inadequate street layout, faulty lot layout in relation to size, adequacy, accessibility, or usefulness, insanitary or unsafe conditions, deterioration of site or other improvements, diversity of ownership, tax or special assessment delinquency exceeding the fair value of the land, defective or unusual conditions of title, improper subdivision or obsolete platting, or the existence of conditions which

endanger life or property by fire and other causes, or any combination of such factors, substantially impairs or arrests the sound growth of the community, retards the provision of housing accommodations, or constitutes an economic or social liability and is detrimental to the public health, safety, morals, or welfare in its present condition and use and (b) in which there is at least one of the following conditions: (i) Unemployment in the designated area is at least one hundred twenty percent of the state or national average; (ii) the average age of the residential or commercial units in the area is at least forty years; (iii) more than half of the plotted and subdivided property in an area is unimproved land that has been within the city for forty years and has remained unimproved during that time; (iv) the per capita income of the area is lower than the average per capita income of the city or 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 shall not designate an area larger than one hundred percent of the as blighted;"

This Blight and Substandard Study is intended to give the Grand Island Community Redevelopment Authority, Hall County Regional Planning Commission and Grand Island City Council the basis for identifying and declaring Blighted and Substandard conditions existing within the City's jurisdiction. Through this process, the City and property owners will be attempting to address economic and/or social liabilities which are harmful to the well-being of the entire community.

The study area can be seen in Figure 1 of this report. The Redevelopment Plan portion of this report will contain, in accordance with the law, definite local objectives regarding appropriate land uses, improved traffic, public transportation, public utilities and other public improvements, and the proposed land uses and building requirements in the redevelopment area and shall include:

- The boundaries defining the blighted and substandard areas in question (including existing uses and conditions of the property within the area), and
- A list of the conditions present which qualify the area as blighted and substandard.

BLIGHT AND SUBSTANDARD ELIGIBILITY STUDY

This study targets a specific area within an established part of the community for evaluation. The area is indicated in Figure 1 of this report. The existing uses in this area includes what was once a ball field location and a farm house within the corporate limits of Grand Island.

Through the redevelopment process the City of Grand Island can guide future development and redevelopment throughout the area. The use of the Community Redevelopment Act by the City of Grand Island is intended to redevelop and improve the area. Using the Community Redevelopment Act, the City of Grand Island can assist in the elimination of negative conditions and implement different programs/projects identified for the City.

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

Study Area

The Study consists of Lot 3 of Vanosdall 2nd Subdivision, as proposed and an adjacent property described as Misc. Tracts PT S1/2 SW1/4 SW1/4 27-11-9 containing 11.94 acres.

Figure 1
Study Area Map



Source: Marvin Planning Consultants 2015

EXISTING LAND USES

The term "Land Use" refers to the developed uses in place within a building or on a specific parcel of land. The number and type of uses are constantly changing within a community, and produce a number of impacts either benefitting or detracting from the community. Because of this, the short and long-term success and sustainability of the community is directly contingent upon available resources utilized in the best manner given the constraints the City faces during the course of the planning period. Existing patterns of land use are often fixed in older communities and neighborhoods, while development in newer areas is often reflective of current development practices.

Existing Land Use Analysis within Study Area

As part of the planning process, a survey was conducted through both in-field observations, as well as data collection online using the Hall County Assessors website. This survey noted the use of each parcel of land within the study area. These data from the survey are analyzed in the following paragraphs.

TABLE 1: EXISTING LAND USE, GRAND ISLAND - 2015

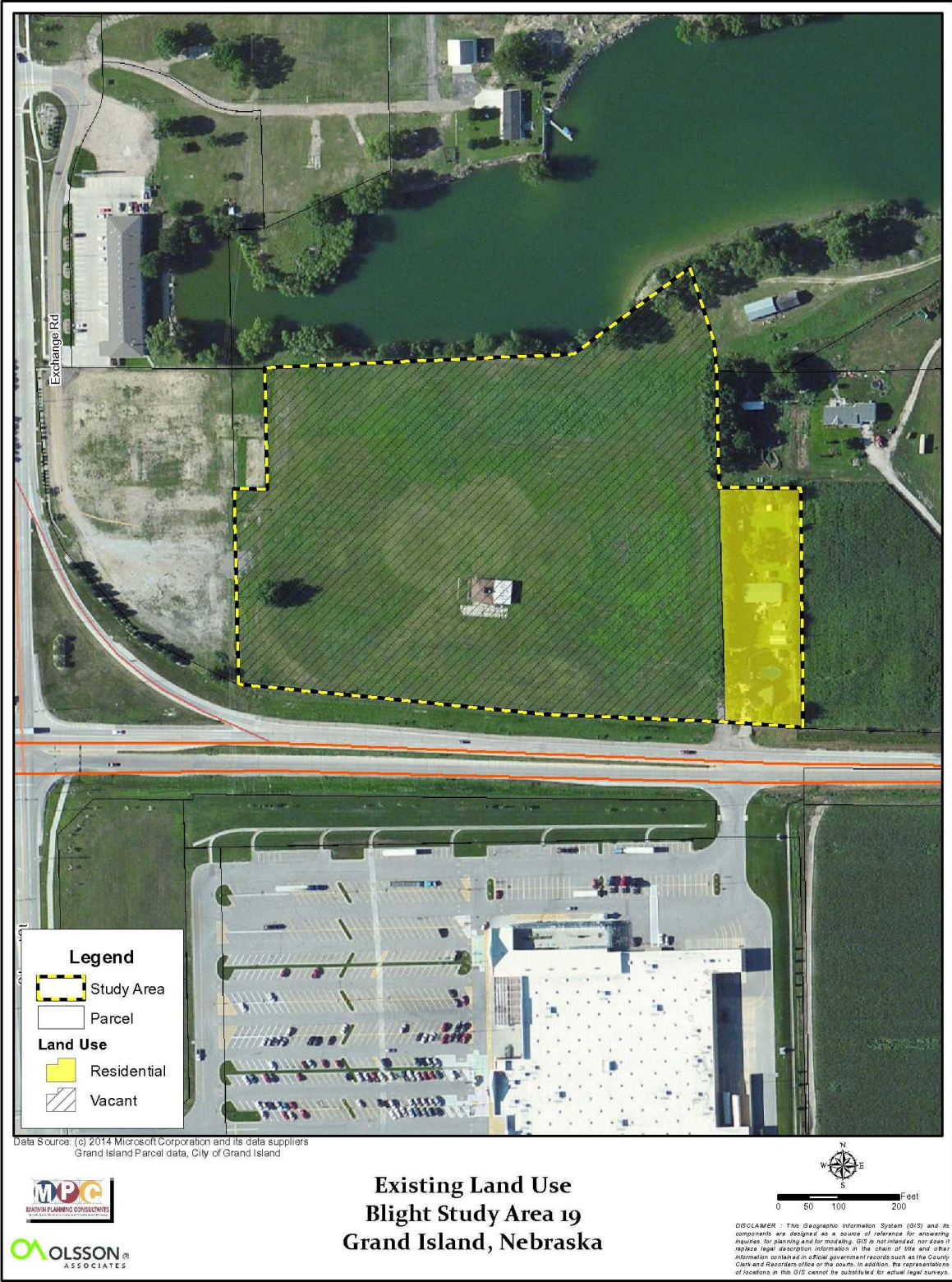
Type of Use	Acres	Percent of Developed land within the Study Area	Percent of Study Area
Residential	1.2	100.0%	10.1%
Single-family	1.2	100.0%	10.1%
Multi-family	0	0.0%	0.0%
Manufactured Housing	0	0.0%	0.0%
Commercial	0	0.0%	0.0%
Industrial	0.00	0.0%	0.0%
Quasi-Public/Public	0	0.0%	0.0%
Parks/Recreation	0	0.0%	0.0%
Transportation	0.00	0.0%	0.0%
Total Developed Land	1.2	100.0%	
Vacant/Agriculture	10.74		89.9%
Total Area	11.94		100.0%

Source: 2015 Grand Island Blight Study Area 19, Marvin Planning Consultants

Table 1 includes the existing land uses for the entire study area. The table contains the total acres determined per land use from the survey; next is the percentage of those areas compared to the total developed land; and finally, the third set of data compare the all land uses to the total area within the Study Area.

The Study Area is predominately vacant but is attached to a property with an older farm house. The vacant property at one point in the lands life was a ball field (the old concession stand and game room still are on the property).

Figure 2
Existing Land Use Map



Source: Marvin Planning Consultants, 2015

FINDINGS OF BLIGHT AND SUBSTANDARD CONDITIONS ELIGIBILITY STUDY

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

CONTRIBUTING FACTORS

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

Age of Structure

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

Within the study area there is a total of two primary structures. After researching the structural age on the Hall County Assessor's and Treasurer's websites, the following breakdown was determined:

- 1 (50.0%) units were determined to be 40 years of age or older
- 1 (50.0%) units were determined to be less than 40 years in age

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

Figure 3
Unit Age Map



Source: Marvin Planning Consultants, 2015

Structural Conditions

Structural conditions were evaluated, structures were either rated as: Very Good, Good, Average, or badly worn. The data and rating system comes from the Hall County Assessor's database and is the same database used to value properties in the area. The old concession stand was evaluated by the planning team.

Based upon the data provided to the planning team, the following is the breakdown for structures in the study area:

- 0 (0.0%) structures rated as very good
- 0 (0.0%) structures rated as good
- 1 (50.0%) structures rated as average
- 1 (50.0%) structure rated as badly worn

Figure 4
Structural Conditions



Source: Marvin Planning Consultants, 2015

Based upon these data, an assumption has been made that average condition and less would constitute less than desirable conditions due to age and conditions. It is common that the older a structure gets the more maintenance and upkeep are required in order to maintain a good or higher condition. Even an average structure will show some signs of deteriorating which in turn can become a dilapidated structure in the future if it is not addressed over time.

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

Deterioration of Site or Other Improvements

Sidewalk Conditions

Sidewalks, regardless of the area and uses within a community, should provide a safe means of movement for pedestrians. Sidewalks become increasingly more important along transportation routes considered to be arterials and highways. A sidewalk allows for pedestrian movement while keeping people off of heavily traveled streets.

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

Figure 5
Sidewalk Conditions



Source: Marvin Planning Consultants, 2015

Within the study area there is approximately 893 lineal feet of area where sidewalk could or should be located. After reviewing the conditions in the field, the following is how the sidewalk conditions breakdown within the study area:

- 0 (0.0%) lineal feet of adequate sidewalk
- 0 (0.0%) lineal feet of deteriorating sidewalk
- 893 (100.0%) lineal feet of no sidewalk.

There are no sidewalks present within the study area accessible to pedestrian traffic. Considering the uses along US Highway 34 to the south there should be sidewalk in place.

Curb and Gutter

Curb and Gutters have a number of direct and indirect roles in neighborhoods. Their primary functions is to be a barrier to collect and direct water to be drained away. On a secondary level, they can help define where the streets start and stop, and they act as a physical barrier between pedestrian and vehicular traffic.

Curb and gutter for the Study Area were examined similarly to sidewalks. The curb and gutter were graded as either adequate, deteriorating, dilapidated, or missing.

Within the study area there is approximately 893 lineal feet of curb and gutter possible. After reviewing the conditions in the field, the following is how the curb and gutter conditions breakdown within the corporate limits:

- 0 (0.0%) lineal feet of adequate curb and gutter
- 0 (0.0%) lineal feet of deteriorating curb and gutter
- 893 (100.0%) lineal feet of no curb and gutter or rural section.

Figure 6
Curb and Gutter Conditions



Source: Marvin Planning Consultants, 2015

In total, 100% of the curb and gutters are missing. See Figure 6 for the locations of these curb and gutter. The area is designed for surface drainage as opposed to underground stormwater piping.

Due to the large amount of missing curb and gutter, the curb and gutter conditions would be a direct contributing factor.

Drainage Conditions

Grand Island has a long history of drainage issues due to the extreme flatness of the area, as well as the high water table. Topography and soils can have a major impact on how a given portion of the city drains. The area designated in this Study Area is nearly flat or has an extremely small slope.

The field survey examined the entire area for potential drainage problems.

Another item of note deals with the actual number of stormwater inlets in the study area. There are no stormwater inlets within the entire study area. All of the water has to surface drain or be absorbed into the soils.

Figure 7 is an existing topographic map from the City of Grand Island's website. The map confirms the flatness of the area along US Highway 34. The most common contours identified on the map is the 1850 and 1855; however, they are separated by a great deal of distance.

The potential for standing water on this site is great. Standing water from poor drainage can be a catalyst for health issues like West Nile due to the potential mosquito breeding during the summer months.

Drainage also can be tied directly to the, curb and gutter conditions.

Figure 7
Topographic Map of Study Area



Source: City of Grand Island (topographic map) and Marvin Planning Consultants

Faulty Lot Layout

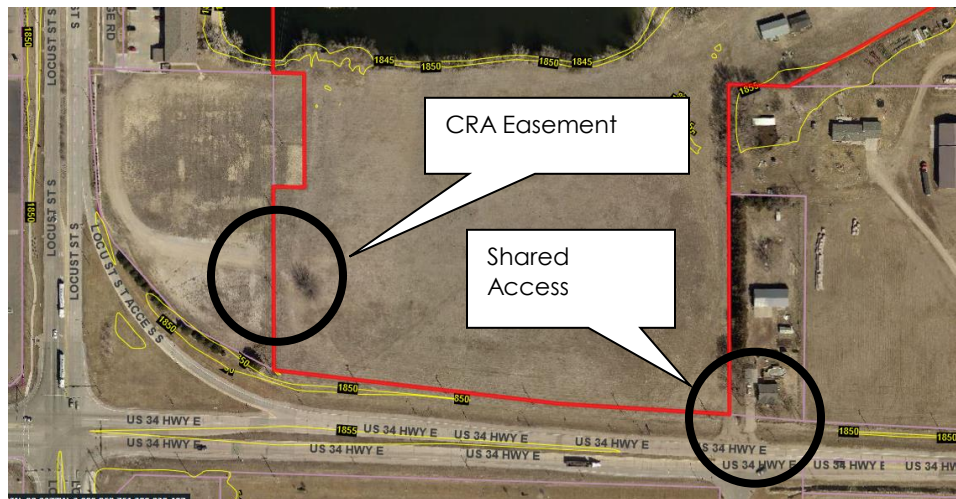
Faulty lot layout can lead to a number of issues including size of a lot, adequacy of the lot for the use, accessibility to the lot and/or the usefulness of the lot. There are a number of factors to examine within this particular study area.

Accessibility of the Lots

Currently the has two points of access. Both of these points are less than ideal. The first is a shared access with the homeowner directly east of the primary property. The second is via an easement granted by the Grand Island CRA through their adjacent property to reach this

property. Accessibility to this area is greatly reduced due to the access management policy along US Highway 34 by the Nebraska Department of Roads.

Figure 8
Topographic Map of Study Area



Source: Marvin Planning Consultants, 2015

Insanitary or Unsafe Conditions

There are a number of factors tending to fall under this category. The study area was found to have several factors falling into insanitary and unsafe. The following will outline the conditions found.

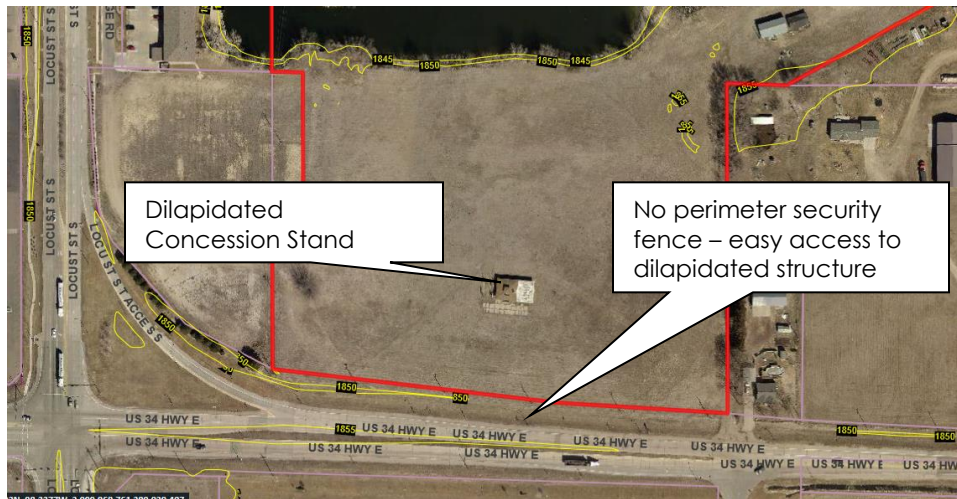
Deteriorated structure

The old concession stand on the largest parcel in this study is a considerable hazard. This building is extremely bad condition and presents potential life threatening hazards if anyone were to sneak onto the property.



Unsecured Areas

The primary parcel is currently unsecured and has the hazardous building as discussed in the previous paragraph. Steps need to be taken to either secure the property or eliminate the hazardous conditions.



Existence of Conditions endangering life or property due to fire or other causes

Located within the study area there are factors present that are a danger to life or property due to fire or other causes. A number of these factors have been previously discussed in this report. These factors include:

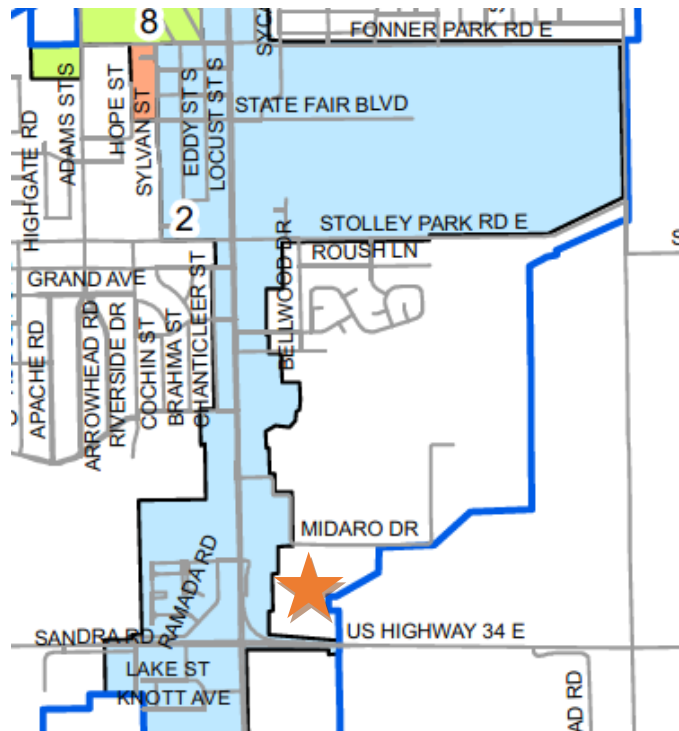
- The presence of an extremely deteriorated and hazardous structure.
- Proximity to a sand pit lake on the northern edge of the property.

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

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

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

- The lack of good access to the site from US Highway 34 and South Locust Street.
- Access to sanitary sewer, closest sanitary sewer connection is north of sandpit lake (north of site). Sanitary sewer will need to be run around the east end of the sandpit lake to the site.
- Access to water. Nearest water line is across US Highway 34 on the Wal-Mart property.
- Existing Blight and Substandard Area 2 which is along South Locust Street. Area 19 would likely have been included in Area 2 if it had been in the corporate limits at the time Area 2 was completed.
- Sand pit lake to the north.



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

Stable or decreasing population based on the last two decennial censuses

Over the past 20 years the population within the study area has been stable. The population within the Study Area has had limited population for the past two decennial censuses. Therefore, it meets the criteria for a stable or decreasing population.

Blighting Summary

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

- **Average age of structures is over 40 years of age**
 - Within the Study Area 50.0% of the structures meet the criteria of 40 years of age or older.
- **Substantial number of deteriorating structures**
 - Within the study are 100.0% of the structures were deemed to be in a deteriorated state or worse.
- **Deterioration of site or other improvements**
 - No sidewalk leading to, on, or adjacent to this site.
 - 100% of the surrounding drainage is rural section.
 - Drainage of existing site is difficult based upon the existing topography.
- **Faulty Lot Layout**
 - Accessibility to some lots is currently a problem.
- **Insanitary or Unsafe Conditions**
 - Lack of sidewalk in the Study Area.
 - Deteriorated structure.
 - Unsecured site which contains a dangerous and dilapidated structure.
 - Vacant property.
- **Dangerous conditions to life or property due to fire or other causes**
 - Dilapidated structure on site with broken glass and materials loose or missing allowing individuals or animals excess.
 - Lack of sidewalk within the Study Area
 - Sand pit lake to the north of the site.
- **Combination of factors which are impairing and/or arresting sound growth**
 - Lack of good access to the site.
 - Access to sanitary sewer
 - Access to water
 - Existing Blighted and Substandard Area 2
 - Sand pit lake to the north
- **Stable or decreasing population based on the last two decennial censuses**
 - The population of the Study Area has remained stable over the past 22 years.

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

- Improper Subdivision or obsolete platting
- Diversity of Ownership
- Defective/Inadequate street layouts,
- Tax or special assessment delinquency exceeding fair value of the land.
- Defective or unusual condition of title,
- Unemployment in the designated area is at least 120% of the state or national average.
- One-half of unimproved property is over 40 years old.
- The per capita income of the area is lower than the average per capita income of the city or village in which the area is designated.

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

Substandard Conditions

Average age of the residential or commercial units in the area is at least 40 years

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

Within the study area there is a total of two structures. After researching the structural age on the Hall County Assessor's and Treasurer's websites, the following breakdown was determined:

- 1 (50.0%) units were determined to be more than 40 years of age
- 1 (50.0%) units were determined to be less than 40 years of age

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

Existence of Conditions endangering life or property due to fire or other causes

Located within the study area there are factors present that are a danger to life or property due to fire or other causes. A number of these factors have been previously discussed in this report. These factors include:

- The presence of an extremely deteriorated and hazardous structure.
- Proximity to a sand pit lake on the northern edge of the property.

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

Substandard Summary

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

This Study Area in Grand Island meets the definition of Substandard as defined in the Revised Nebraska State Statutes.

FINDINGS FOR GRAND ISLAND BLIGHT STUDY AREA #19

Blight Study Area #19 has several items contributing to the Blight and Substandard Conditions. These conditions include:

Blighted Conditions

- **Average age of structures is over 40 years of age**
- **Substantial number of deteriorated or deteriorating structures**
- **Deterioration of site or other improvements**
- **Faulty Lot Layout**
- **Insanitary and Unsafe Conditions**
- **Combination of factors which are impairing and/or arresting sound growth**
- **Stable or decreasing population based on the last two decennial censuses**

Substandard Conditions

- **Average age of the structures in the area is at least forty years**
- **Dangerous conditions to life or property due to fire or other causes**